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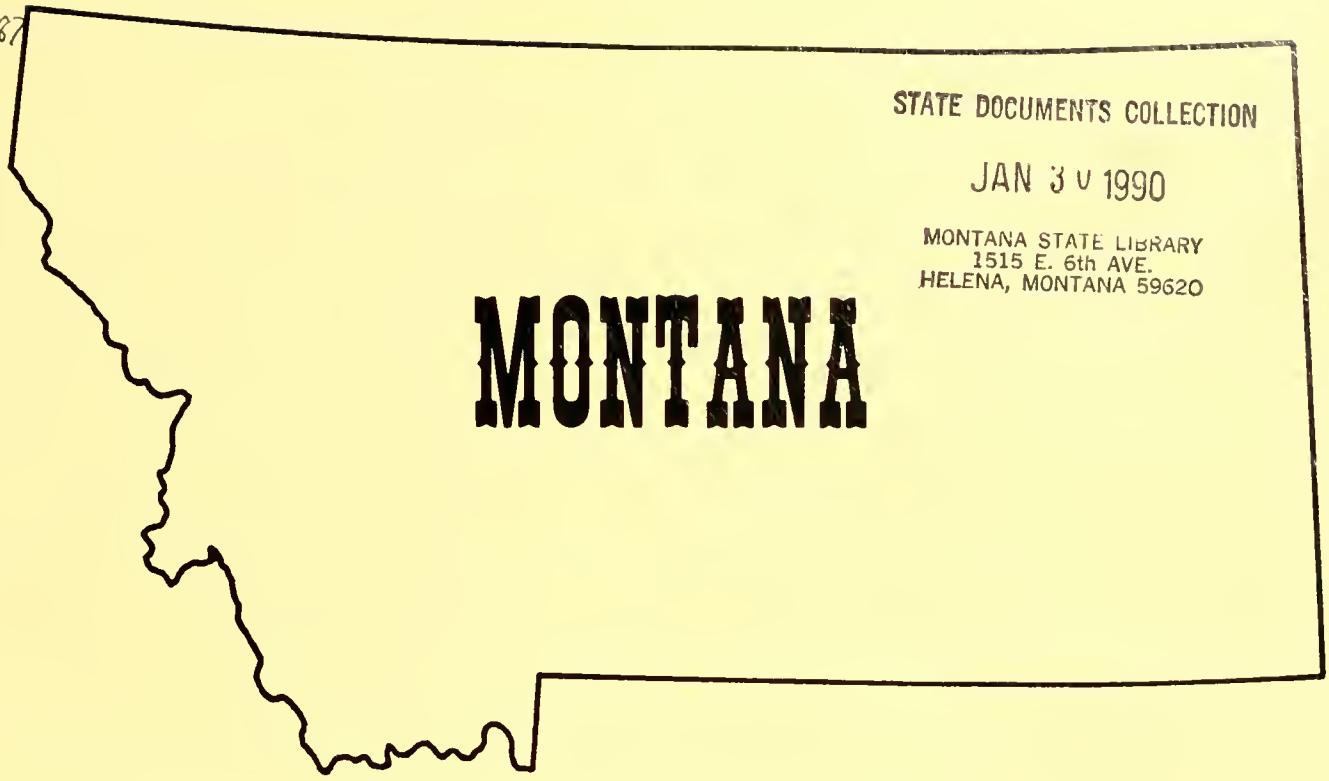

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MONTANA

EXECUTIVE BUDGET
1986 - 1987

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SUBMITTED BY:

GOVERNOR TED SCHWINDEN

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TED SCHWINDEN
GOVERNOR

December 1, 1984

MEMBERS OF THE FORTY-NINTH LEGISLATIVE ASSEMBLY

In accordance with Article VI, Section 9 of the Constitution of Montana, I am pleased to transmit to you the 1986-87 biennial Executive Budget recommendations for State Government.

You can expect full cooperation from this office and the executive branch agencies during your deliberations.

Respectfully submitted,

Ted Schwinden

TED SCHWINDEN
Governor

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING

TED SCHWINDEN, GOVERNOR

STATE CAPITOL

STATE OF MONTANA

(406) 444-3616

HELENA, MONTANA 59620

December 1, 1984

The Honorable Ted Schwinden
Governor of the State of Montana
Helena, Montana 59620

Dear Governor Schwinden:

This is the 1986-87 Executive Budget recommendation which is required in Article VI Section 9 of the Constitution of the State of Montana. This budget has been prepared by the Office of Budget and Program Planning in close coordination with many agencies of state government. This budget presents a reasonable allocation of state funds. We have continued to slow the rate of growth in total general fund spending while providing increases in nearly every area.

The task of producing this document is formidable. Department Directors and their staff deserve high praise for their cooperation.

As usual the entire Budget staff contributed extra hours to insure the timely completion of this document. Special thanks should be given to Tom Crosser, Terry Johnson, Mary McCullough, Helen Kittel and Troy McGee.

Respectfully Submitted,

David M Lewis

DAVID M. LEWIS, DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

publications & graphics

George Harris	6401	Institutions
	6402	Boulder River School and Hospital
	6404	Center For The Aged
	6405	Eastmont Training Center
	6407	Mountain View School
	6408	Pine Hills School
	6409	Montana State Prison
	6410	Swan River Youth Forest Camp
	6411	Montana Veterans' Home
	6412	Montana State Hospital
	6413	Board of Pardons
	6414	Montana Youth Treatment Center
Jan Dee May	5301	Health and Environmental Sciences
	6901	Social and Rehabilitation Services
Francis Olson	3501	Superintendent of Public Instruction
	3511	Billings Vo-Tech
	3512	Butte Vo-Tech
	3513	Great Falls Vo-Tech
	3514	Helena Vo-Tech
	3515	Missoula Vo-Tech
	5101	Board of Public Education
	5113	School for Deaf and Blind
	5114	Montana Arts Council
	5115	Montana State Library
	5116	Montana Advisory Council for Vo. Education
	5117	Montana Historical Society
	5119	Fire Services Training School
Norm Rostocki	5401	Highways
	6501	Commerce
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	6602	Employment Security
	6603	Workers' Compensation
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	5603	Livestock
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TERRY JOHNSON - BUREAU CHIEF - DATA PROCESSING SYSTEMS & STATISTICS

Mary L. McCullough	Mary LaFond
Jim Oppedahl	Elsie Armstrong
Helen Kittel	Jean Carroll

EXECUTIVE BUDGET

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Tax indexing is alive and well in Montana. When the people of the state adopted income tax indexing by initiative in 1980, they did so with the intent to slow the growth in state general fund spending.

As table I shows, the public succeeded! Spending is increasing at a much lower rate than it did in the 1970's. The slowing of expenditure growth has brought projected revenues and expenditures into balance in Fiscal Year 1987.

As table II shows, this budget proposes a $70 million increase in appropriations over the current biennium... 60% committed to the two areas the Governor considers highest priority, education and people programs. The remainder is allocated to modest program expansions in selected agencies and appropriate pay increases.

We propose that the 8 cent per pack cigarette tax repealed by the Federal Government, become a state revenue source and be considered a dedicated reserve...a rainy day fund to help assure a reasonable ending fund balance on June 30, 1987. The uncertainties relative to the national economy...the federal deficit, the agricultural crisis, anticipated reductions in federal aid...mandate state government be prudent in its revenue/expenditure projections.

Major spending increases beyond these recommendations can only be paid for by tax increases or dramatic changes in priorities. This is as it should be. The people of Montana will have to weight expansion of state services against the tax increases needed to pay for them. Now more than ever, there is no such thing as a free lunch.

TABLE I

HISTORY OF GENERAL FUND EXPENDITURES

BIENNIUM	AMOUNT EXPENDED	PERCENT INCREASE
1959	$ 70.86	
1961	74.41	5
1963	70.97	(5)
1965	84.30	19
1967	98.06	16
1969	127.00	30
1971	161.64	27
1973	182.00	13
1975	261.42	44
1977	362.52	39
1979	456.41	26
1981	501.28	10
1983	648.39	29
1985 Estimated Expenditures	733.31	13
1987 Recommended Appropriations	806.21	10

Dollar Amounts in Millions

TABLE II

GENERAL FUND BUDGET COMPARISON
(MILLIONS OF DOLLARS)

1987 Biennium	Recommended General Fund Budget	$ 806.2
1985 Biennium	FY84 Actual plus FY85 Estimated Expenditures	733.3
	Genral Fund Budget Increase	$ 72.9

MAJOR RECOMMENDED APPROPRIATION INCREASES

Social and Rehabilitative Services	$ 22.1
Education	18.8
Pay Plan	17.4
Classification Enhancement/Comp. Worth	2.0
Other Agency Increases	12.6
TOTAL	$ 72.9

EXPENDITURE LIMITATION

With the passage of HB653 (Expenditure Limitation Act) during the 47th Legislature, a new element was added to the budget process. The total increase in biennium appropriations from the general, special revenue and cash portion of the bond proceeds and insurance clearance funds are limited to the growth in Montana's personal income. This law not only limits the total appropriations but also forces a balance between increases in general, special revenue and cash building funds.

To determine the overall effect of the expenditure limitation for the 1987 biennium, the average personal income growth allowable must be calculated. The method to be used is spelled out in section 17-8-106 MCA: "The growth percentage is the percentage difference between the average Montana total personal income for the 3 calendar years immediately preceding the next biennium and the average Montana total personal income for the 3 calendar years immediately preceding the current biennium."

Using these criteria, the personal income growth was determined using the following statistics.

Personal Income Growth

Calendar Year	Personal Income (Billions)	Source
1980	$6.575644	Bureau of Economic Analysis
1981	7.364229	Bureau of Economic Analysis
1982	7.740594	Bureau of Economic Analysis
1983	8.123988	Bureau of Economic Analysis
1984	8.866838	Governor's Budget Office

Since the average total personal income for the three years immediately preceding the current biennium (1980, 1981, and 1982) is $7.226822 billion and the average total personal income for the three years immediately preceding the 1987 biennium (1982, 1983, and 1984) is $8.243807 billion, the growth in personal income between these two periods is 14.07%. This percentage is the limit on appropriation growth for the 1987 biennium.

To complete the calculation of the expenditure limitation, it is necessary to determine the total appropriations for the 1985 biennium, according to the definition contained in section 17-8-105, MCA. This section specifically excludes interest payments, tax relief, and inter-governmental transfers from the appropriation base. The following table shows the development of the appropriation base using these criteria.

Base Appropriation Calculations
1985 Biennium
(Millions)

	General Fund	Special Revenue Fund	Cash Bldg Fund	Total
1985 Biennium Appropriations	$774.0	$876.9	$17.2	$1,668.1
EXCLUSIONS				
Interest Payments				
Debt Service	21.3			21.3
Tax Anticipation Notes	2.3			2.3
Transfers				
Special Education	54.4			54.4
Public School Support	43.5			43.5
Tax Relief				
TOTAL	$652.5	$876.9	$17.2	$1,546.6

The final step in determining the expenditure limit for the 1987 biennium is multiplying the adjusted 1985 biennial appropriation total ($1,546.6 million) by the allowable growth factor (14.07%). This yields the total amount that may be appropriated from these three funds during the 1987 biennium - $1,764.2 million.

The Executive Budget recommendations are below the limitations imposed by the act.

Executive Budget Summary
1987 Biennium
(Millions)

Expenditure Limitation	$1,764.2
Recommended Special Revenue Appropriation	-919.6
Recommended Building and Renewable Resource Program	-9.9
Recommended General Fund Appropriation	-806.2
Expenditure Limitation Balance	$ 28.5

In summary, the Executive Budget recommendations have complied with the state Expenditure Limitation Act.

INTRODUCTION TO REVENUE ESTIMATES

Montana is a biennial budget state in which the Constitution requires that appropriations adopted by the Legislature do not exceed available revenues. In addition Montana statute limits the expenditure growth in the general fund, the state special revenue fund and the cash building account by the anticipated growth in a three year moving average of Montana personal income.

The Office of Budget and Program Planning is responsible for the preparation of Executive Branch revenue estimates and a budget recommendation that balances within these constraints.

The budget cycle begins with the Executive Planning Process (EPP) in January of each even-numbered year. All agencies are requested to submit to the Office of Budget and Program Planning (OBPP), proposed modifications to their current level budgets. Usually by August 1, a current level request package is sent to all state agencies. This package, in addition to requested modifications, is required to be returned to the OBPP by September 1. The Governor and his budget office review these requests, establish priorities and balance the budget within anticipated revenues. On December 1, the Governor's budget is submitted to the Legislative Fiscal Analyst (LFA) who prepares an independent analysis of the budget for the Legislature.

ECONOMIC OVERVIEW

The Governor's budget for the 1986-87 biennium is significantly dependent upon the current and future economic climate of the state, nation and world economies. These conditions not only affect tax receipts they also dictate the costs of goods and services purchased by state government. Clearly, an economic analysis is necessary to formulate a biennium budget.

Economic variables play a crucial role when developing revenue forecasting models. However, recent state legislation has placed greater emphasis on Montana personal income as a means to limit the growth in state government disbursements. Today levels of disbursements and receipts are significantly influenced by Montana personal income growth patterns.

The key economic variables that affect state government receipts and disbursements are Montana personal income, Montana employment levels, inflation rates, energy prices and interest rates. There are many more variables that influence receipt and disbursement patterns but the above list covers the major variables.

In the past Montana's economy appeared to lag yet parallel the national economy. However, for the past decade, Montana's economic upturns and downturns have been less pronounced than the national average. This was due in part to Montana's scarcity of heavy industry and its reliance on the energy sector; oil, coal and natural gas exploration and production. Today with energy conservation and more stable world conditions, this trend is again reversing. Montana's economy now appears to follow the U.S. economy.

The 48th Legislature established an appropriation for the Bureau of Business and Economic Research to develop an economic reporting and forecasting system. The Bureau decided that a subscription to a nationally known econometric forecasting service was needed to formulate the system. Chase Econometrics,

Incorporated was selected for this purpose. In addition, Chase Econometrics provides short and long-term econometric forecasts to the OBPP and the LFA office. These forecasts were incorporated in the Governor's budget whenever appropriate.

Personal Income

Montana personal income is defined as labor income, transfer payments, dividends, interest and rents less personal contributions for social security.

This particular variable is especially critical in the budget process because of its direct affect on state government tax receipts and disbursements. Total personal income not only limits the growth in government disbursements, it also measures the ability of Montana to purchase food, clothing, automobiles and other items. Personal income tax, corporate income tax and many other taxes such as liquor and insurance are affected by the movement in personal income.

From 1970 to 1983, total personal income has increased 240 percent in Montana versus 238 percent nationally. The state's per capita income for 1983 was $9,949, compared with the national figure of $11,685.

The following tables summarize personal income statistics for Montana and the United States.

TABLE 1

TOTAL PERSONAL INCOME
(MILLIONS)

	MONTANA		UNITED STATES	
CY	AMOUNT	% CHANGE	AMOUNT	% CHANGE
1970	2,389.8		803,922	
1971	2,514.9	5.23	861,904	7.21
1972	2,942.8	17.01	944,852	9.62
1973	3,463.5	17.70	1,058,902	12.07
1974	3,746.9	8.18	1,162,203	9.76
1975	4,059.8	8.35	1,258,643	8.30
1976	4,371.2	7.67	1,385,201	10.06
1977	4,752.2	8.72	1,534,708	10.79
1978	5,491.1	15.55	1,726,185	12.48
1979	5,954.5	8.44	1,942,650	12.54
1980	6,575.6	10.43	2,156,710	11.02
1981	7,364.2	11.99	2,420,039	12.21
1982	7,740.6	5.11	2,575,831	6.44
1983	8,124.0	4.95	2,734,122	6.15
- - - - - - - - - - - - - - - - - -	PROJECTED	- - - - - - - - - - - - - - - - - -		
1984	8,866.8	9.14	3,016,400	10.32
1985	9,579.3	8.04	3,270,300	8.42
1986	10,356.0	8.11	3,547,600	8.48
1987	11,257.7	8.71	3,870,600	9.10

SOURCE:
HISTORICAL - BUREAU OF ECONOMIC ANALYSIS
PROJECTED - OFFICE OF BUDGET & PROGRAM PLANNING
CHASE ECONOMETRICS, INC.

TABLE 2

PER CAPITA PERSONAL INCOME

CY	MONTANA AMOUNT	MONTANA % CHANGE	UNITED STATES AMOUNT	UNITED STATES % CHANGE
1970	3,428		3,945	
1971	3,537	3.18	4,167	5.63
1972	4,092	15.69	4,515	8.35
1973	4,762	16.37	5,010	10.96
1974	5,083	6.74	5,448	8.74
1975	5,419	6.61	5,842	7.23
1976	5,763	6.35	6,367	8.99
1977	6,161	6.91	6,984	9.69
1978	7,004	13.68	7,772	11.28
1979	7,545	7.72	8,651	11.31
1980	8,342	10.56	9,494	9.74
1981	9,254	10.93	10,544	11.06
1982	9,617	3.92	11,113	5.40
1983	9,949	3.45	11,685	5.15
Average Annual Growth Rate		8.54		8.71

SOURCE:
HISTORICAL - BUREAU OF ECONOMIC ANALYSIS

Employment

Total state employment measures the ability of the state's economic base to provide jobs for its residents.

When forecasting state revenues, nonfarm wage and salary employment is used as a proxy for employment levels. Even though this statistic does not include all employment, it does provide a more consistent indicator of the labor market.

Employment levels in the state affect total personal income and are also indicative of the state's business activity. The relationship between personal income, consumer spending and ultimately corporate profits explains why personal income, corporate income and sumptuary taxes are affected by changes in this variable.

From 1970 to 1983, nonfarm wage and salary employment grew by more than 35 percent or 70,800 jobs. Almost all of this increase was in the wholesale/retail trade and services sectors. Traditionally, these jobs have been at the lower end of the pay scale.

TABLE 3

MONTANA EMPLOYMENT

CY	NONFARM WAGE & SALARY EMPLOYMENT	% CHANGE
1970	199,100	
1971	204,900	2.91
1972	215,300	5.08
1973	224,200	4.13
1974	233,900	4.33
1975	238,200	1.84
1976	251,100	5.42
1977	264,800	5.46
1978	280,400	5.89
1979	283,800	1.21
1980	280,400	- 1.20
1981	281,800	.50
1982	273,700	- 2.87
1983	269,900	- 1.39
- - - - - - - - - - - - - - - - - PROJECTED - - - - - - - - - - - - - - - - - - -		
1984	272,600	1.00
1985	275,300	.99
1986	278,100	1.02
1987	280,900	1.01

SOURCE:
HISTORICAL - MONTANA DEPARTMENT OF LABOR & INDUSTRY
PROJECTED - OFFICE OF BUDGET & PROGRAM PLANNING

Inflation

Inflation indices measure the rate of price escalation and/or decrease for goods and services. The most commonly used statistic is the consumer price index which is based on prices of food, clothing, shelter, fuel, drugs, transportation fares, doctors' and dentists' fees and other items.

During high inflationary periods, consumption of goods and services may decline. This not only may decrease employment levels but also may discourage business activity because of prohibitive operating costs. Low inflation may result in higher consumption, increased employment and greater business opportunities.

In a majority of cases, inflation rates have some impact on each revenue component. The sources that are especially affected include personal income tax, public institution reimbursements and severance taxes.

Chase Econometrics forecasts a moderate rate of inflation during the 1986-87 biennium of approximately 6 percent. This outlook anticipates: 1) wage negotiations will be sensitive to the need for reasonable compensation because of the lack of price competitiveness; 2) no sudden or steep increases in energy prices; and 3) the Federal Reserve Board will continue in a inflation-fighting posture.

Table 4 lists two measure of inflation rates as published by Chase Econometrics. These national averages are provided because indices for Montana are not available.

TABLE 4

MEASURES OF INFLATION

CY	US CPI 1967=100	% CHANGE	US GNP DEFLATOR 1972=100	% CHANGE
1970	116.3		91.4	
1971	121.2	4.21	96.0	5.03
1972	125.3	3.38	100.0	4.17
1973	133.1	6.23	105.7	5.70
1974	147.7	10.97	115.1	8.89
1975	161.3	9.21	125.7	9.21
1976	170.5	5.70	132.3	5.25
1977	181.6	6.51	140.0	5.82
1978	195.4	7.60	150.4	7.43
1979	217.5	11.31	163.4	8.64
1980	246.8	13.47	178.4	9.18
1981	272.3	10.33	195.6	9.64
1982	289.1	6.17	207.4	6.03
1983	298.3	3.18	215.3	3.81
- - - - - - - - - - - - - - - - - - PROJECTED - - - - - - - - - - - - - - - - - -				
1984	311.5	4.43	223.6	3.86
1985	327.3	5.07	234.4	4.83
1986	346.4	5.84	247.2	5.46
1987	368.1	6.26	262.3	6.11

SOURCE: CHASE ECONOMETRICS, INC.

Energy Prices

Montana is the fourth largest state with a vast potential for oil, coal and natural gas exploration and extraction. Because of this potential and our current level of natural resource taxation, energy prices play a critical role in the budgetary process. Oil, coal and natural gas severance taxes are directly affected by energy prices.

Oil

The recent oil price cuts by Norway, Great Britain and Nigeria has injected an uncertainty in the international oil market. However, the primary reason for these cuts was to align contract prices for light crudes with the value of heavier grades. Chase Econometrics does not anticipate further price declines because worldwide demand is rising, the peak heating season is now starting and OPEC members have agreed on production cuts.

Natural Gas

Under the Natural Gas Policy Act of 1978, all new gas is scheduled to be deregulated on January 1, 1985. Many industry analysts expect prices to remain stable or to increase only moderately even with deregulation. Primary reasons for this scenario include more competition, contract renegotiations and lower import prices, primarily from Canada.

Coal

The coal industry in the United States and Montana is heavily dependent upon the demand for electrical power. The recession, mild weather and energy conservation have all contributed to electrical usage remaining below expectations.

With lower demand and competitively priced other fuels, coal prices have remained soft. These conditions in conjunction with royalty deductions approved by the 48th Legislature, should cause coal prices to grow at a modest rate.

Table 5 reflects historical and projected energy prices for oil, coal and natural gas.

TABLE 5

ENERGY PRICES

CY	COAL CONTRACT SALES PRICE $/TON	% CHANGE	OIL WELL-HEAD PRICE $/BARREL	% CHANGE	NATURAL GAS PRICE $/MCF	% CHANGE
1970			2.834		.0824	
1971			3.054	7.76	.0844	2.43
1972			2.994	- 1.96	.1016	20.38
1973			3.859	28.89	.1621	59.55
1974			6.868	77.97	.2570	58.54
1975	4.224		7.826	13.95	.3938	53.23
1976	4.415	4.52	8.586	9.71	.4408	11.93
1977	4.344	- 1.61	9.073	5.67	.7351	66.76
1978	5.154	18.65	8.978	- 1.05	.8374	13.92
1979	6.951	34.87	11.961	33.23	1.2024	43.59
1980	7.724	11.12	20.922	74.92	1.4361	19.44
1981	8.686	12.45	34.457	64.69	1.9004	32.33
1982	9.673	11.36	31.141	- 9.62	2.1025	10.63
1983	10.065	4.05	28.740	- 7.71	2.4029	14.29
- - - - - - - - - - - - - - - - - -			PROJECTED		- - - - - - - - - - - - - - - - - -	
1984	10.056	- .09	28.351	- 1.35	2.6055	8.43
1985	10.496	4.38	28.518	.59	2.7376	5.07
1986	10.650	1.47	29.743	4.30	2.8975	5.84
1987	10.854	1.92	31.821	6.99	3.0788	6.26

SOURCE:
HISTORICAL - MONTANA DEPARTMENT OF REVENUE
PROJECTED - OFFICE OF BUDGET & PROGRAM PLANNING

Interest Rates

Interest rates are highly susceptible to federal policies and the actions of the Federal Reserve Board (FED). Factors that are critical to the future direction of interest rates include the following:

- o the Federal Reserve's philosophy on monetary policy;
- o the anti-inflation posture of the federal government;
- o possible resolutions to the federal deficit;
- o and a change in the value of the dollar.

Chase Econometrics expects interest rates to drift upward until late 1986 and then retreat slightly in 1987. This is based on a less restrictive monetary policy by the Federal Reserve and a continuation of the conflict between private credit demands and the federal government's financing needs.

Interest rates directly affect Montana's investment earnings from both short and long-term securities. In addition these rates impact other tax sources by influencing economic variables such as construction activity, consumer spending and business borrowing.

Table 6 reflects historical and projected interest rates as provided by Chase Econometrics. Also presented in the table is an approximation of the interest rates the state has earned on short-term securities.

TABLE 6
INTEREST RATES

CY	SHORT-TERM* RATE	% CHANGE	PRIME RATE	% CHANGE	LONG-TERM RATE	% CHANGE
1970			7.91		8.50	
1971			5.73	-27.56	7.52	-11.53
1972			5.25	- 8.38	7.32	- 2.66
1973	6.97		8.02	52.76	7.75	5.87
1974	7.70	10.47	10.80	34.66	8.99	16.00
1975	6.70	-12.99	7.86	-27.22	9.03	.44
1976	6.47	- 3.43	6.84	-12.98	8.36	- 7.42
1977	6.58	1.70	6.82	- .29	8.13	- 2.75
1978	7.65	16.26	9.06	32.84	8.86	8.98
1979	9.46	23.66	12.67	39.85	9.79	10.50
1980	11.28	19.24	15.27	20.52	12.53	27.99
1981	12.81	13.56	18.87	23.58	15.61	24.58
1982	11.92	- 6.95	14.86	-21.25	14.44	- 7.50
1983	10.36	-13.09	10.79	-27.39	11.82	-18.14
- - - - - - - - - - - - - - - - - -			PROJECTED		- - - - - - - - - - - - - - - - - -	
1984	11.13	7.47	12.17	12.79	13.11	10.91
1985	11.63	4.44	12.69	4.27	13.21	.76
1986	12.20	4.92	13.25	4.41	13.63	3.18
1987	12.31	.93	12.50	- 5.66	13.46	- 1.25

SOURCE:
HISTORICAL - BOARD OF INVESTMENTS; CHASE ECONOMETRICS, INC.
PROJECTED - OFFICE OF BUDGET & PROGRAM PLANNING
CHASE ECONOMETRICS, INC.

* Approximation of short-term rates earned by the state

REVENUE ESTIMATING PROCEDURES

The interaction of economic variables with revenue sources, coupled with federal and legislative changes that affect historical data, makes revenue forecasting a complex procedure often requiring utilization of computer facilities and sophisticated mathematical techniques.

Revenue forecasting may be divided into four major categories: 1) regression analysis, 2) rate-of-change methods, 3) expert judgment, and 4) mathematical-judgemental techniques. Because each of these methods is used to estimate particular tax sources in Montana, they are described below.

Regression analysis is the most frequently used technique to estimate revenue in Montana. This method is used heavily in economic, business and scientific research to develop an equation that represents the relationship between two or more variables.

The first step of regression analysis is to identify factors (independent variables) that affect the predicted revenue source (dependent variable). The independent variables must be quantifiable and identifiable. Historical and future values of the variables must be available and accurate.

The second step is to derive the mathematical equation that states the relationship between the independent variable(s) and the dependent variable. The resultant equation describes a trend line that can be used for estimating future values of the revenue source. Future values of the independent variables are entered into the equation to compute an estimate for future values of the dependent variable.

Projected values of independent variables are usually obtained from an outside source such as Chase Econometrics. Often the independent variables of a revenue-estimating equation are economic variables. The regression equation mathematically states the relationship between economic factors and the tax source.

Regression analysis allows little or no room for subjective judgement. Judgement enters only when choosing the independent variables to use in the equation. If the variables do not perform well according to statistical tests, the equation cannot be used for predictive purposes. Regression analysis implicitly assumes that the relationship between the independent and dependent variables will hold in the future as it has in the past.

When the independent variables are, themselves, the dependent variables of other equations, resulting in a long "chain" of regression equations, the estimating technique is called econometric modelling. The independent and dependent variables are frequently stated in logarithmic form.

The second major forecasting technique, the rate-of-change method, works well for sources that are unaffected by business cycles. The estimate is formulated by using the average change in receipts or the average percent change in receipts, as recorded in the past, and applying that change to the prior year's collections to derive the next year's collections.

The rate-of-change method is an old technique that was used extensively prior to 1930. Since then, taxes have been placed upon cycle-sensitive sources and estimators have recognized the importance of accounting for economic

fluctuations. The rate-of-change method still works well in Montana for estimating various revenue sources.

The expert judgement method utilizes the knowledge and experience of the estimator to arrive at an estimate. This method is used in conjunction with all other techniques to some extent and exclusively on erratic sources that will not yield to any mathematical model. Subjective judgement alone is used to estimate very few of Montana's tax sources. Obviously, there are numerous pitfalls involved with this method; however, for some sources, this technique has produced remarkably good results at the hands of estimators familiar with a source. On rare occasions, an estimator with unreliable historical data or an erratic source cannot use any other technique. This method is used by estimators in all states for "problem" tax sources.

The mathematical-judgemental methods include simulation, questionnaire/ sampling projections, and income elasticity analysis. Each of these procedures relies on computer processing, subjective judgement for the selection of input parameters/variables and mathematical formula for ultimate projections.

GENERAL FUND REVENUE ESTIMATES

General fund revenue includes receipts from levies upon personal income, corporate income, mineral extraction, alcoholic beverage consumption, insurance premiums and numerous other fees, licenses and taxes. Since most sources are influenced by the economic climate, forecasts formulated for most revenues utilize the economic forecasts previously outlined.

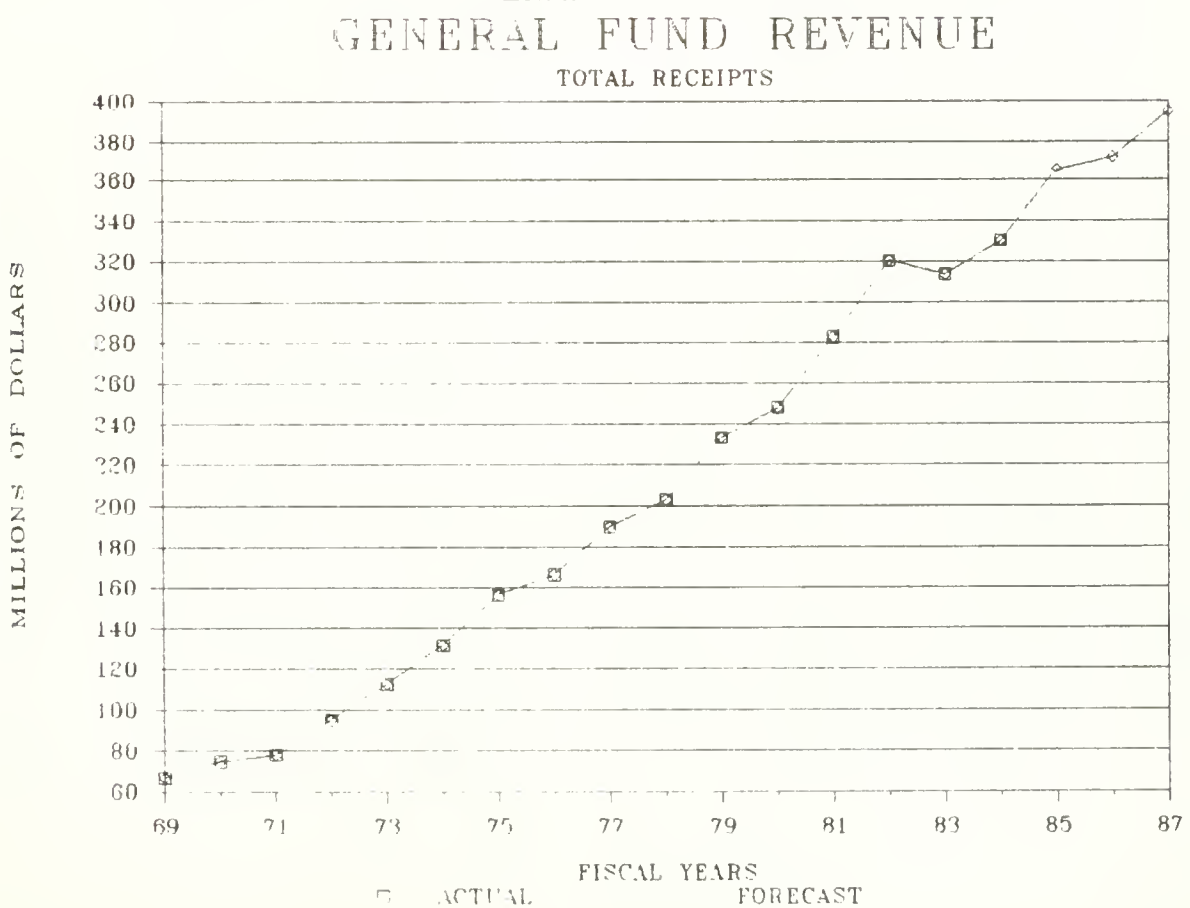
The tables that follow summarize estimated receipts followed by a revenue description and the forecast methodology used for each of the larger general fund revenue sources.

GENERAL FUND REVENUE ESTIMATES
(MILLIONS)

Source of Revenue	Actual FY 1984	Estimated FY 1985	Estimated FY 1986	Estimated FY 1987
Individual Income Tax	109.021660	116.653000	123.406000	130.626000
Corporation License Tax	20.547177	35.017000	29.957000	32.304000
Coal Severance Tax	15.736468	17.444000	19.735000	18.732000
Oil Severance Tax	32.686014	32.837000	27.792000	29.269000
Interest on Investments	23.527514	27.732000	25.099000	25.820000
Long-Range Bond Excess	41.682643	38.449000	38.880000	40.652000
Coal Trust Fund Interest	18.947636	24.529000	28.792000	33.560000
Insurance Premiums Tax	13.621332	16.109000	16.139000	17.558000
Public Institution Reimb.	9.179921	12.213000	14.758000	15.310000
Liquor Profits	5.782000	4.466000	5.924000	6.544000
Liquor Excise Tax	6.415784	6.418000	7.074000	7.470000
Inheritance Tax	5.960471	6.289000	6.656000	7.072000
Metal Mines Tax	2.630135	1.711000	1.185000	1.190000
Electrical Energy Tax	2.413172	1.986000	2.042000	2.169000
Drivers' License Fees	0.799616	0.817000	0.835000	0.854000
Telephone License Tax	2.521905	2.814000	3.053000	3.311000
Beer License Tax	1.204236	1.213000	1.221000	1.230000
Natural Gas Severance Tax	2.797996	3.481000	3.650000	3.862000
Freight Line Tax	1.334111	1.402000	1.465000	1.556000
Wine Tax	0.904905	0.917000	0.928000	0.940000
Other Revenue Sources	12.590802	13.474000	13.930000	14.922000
GRAND TOTAL	330.305498	365.971000	372.581000	394.951000

GENERAL FUND REVENUE ESTIMATES

Source of Revenue	% Change 1984-85	% Change 1985-86	% Change 1986-87
Individual Income Tax	7.00	5.84	5.80
Corporation License Tax	70.42	-14.45	7.83
Coal Severance Tax	10.85	13.13	-5.08
Oil Severance Tax	0.46	-15.36	5.31
Interest on Investments	17.87	-9.49	2.87
Long-Range Bond Excess	-7.76	1.12	4.56
Coal Trust Fund Interest	29.46	17.38	16.56
Insurance Premiums Tax	18.26	0.19	8.79
Public Institution Reimb.	33.04	20.84	3.74
Liquor Profits	-22.76	32.65	10.47
Liquor Excise Tax	0.03	10.22	5.60
Inheritance Tax	5.51	5.84	6.25
Metal Mines Tax	-34.95	-30.74	0.42
Electrical Energy Tax	-17.70	2.82	6.22
Drivers' License Fees	2.17	2.20	2.28
Telephone License Tax	11.58	8.49	8.45
Beer License Tax	0.73	0.66	0.74
Natural Gas Severance Tax	24.41	4.85	5.81
Freight Line Tax	5.09	4.49	6.21
Wine Tax	1.34	1.20	1.29
Other Revenue Sources	7.01	3.38	7.12
GRAND TOTAL	10.80	1.81	6.00



Individual Income Tax

Individual or personal income tax is the largest single source of revenue to the general fund. The original tax law was enacted in 1933 and has been altered many times since then. Currently, 64 percent of the tax is deposited in the general fund, 25 percent in the public school equalization account and 11 percent in the long-range building debt service account.

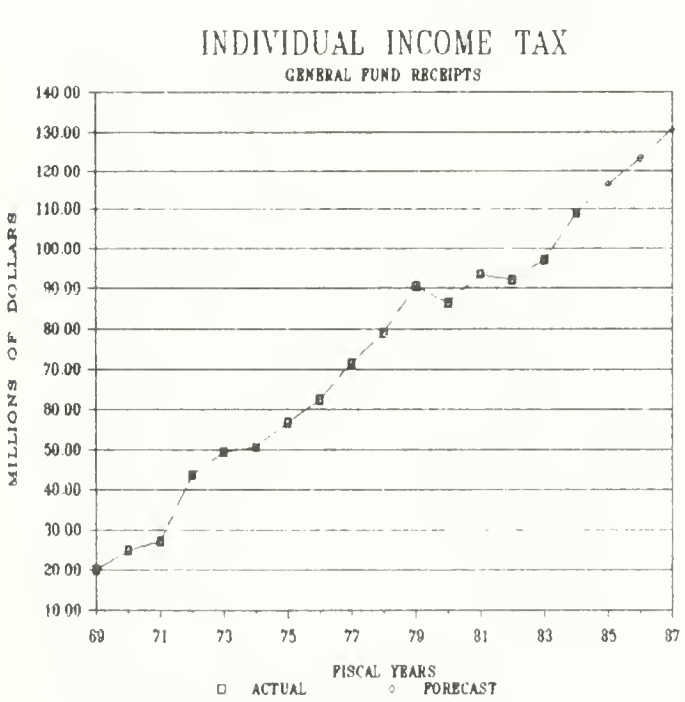
The tax is levied against taxable income which is defined as Montana personal income adjusted for exemptions and deductions. Once tax liability is determined, the amount of tax due is computed by subtracting allowable credits.

The income tax forecasts for the 1986-87 biennium are based on a moderate growth in total personal income and employment. Although current economic growth is slowing, the recovery is expected to continue but at a more modest pace.

Since fiscal year 1980, income tax collections have been reduced by a number of credits, exemption allowances and indexation. Projections for fiscal years 1985 through 1987 are based on an inflation rate of approximately 6 percent and the continuation of all statutory credits.

The additional revenue that would be generated by federal income tax indexing has not been included in the forecasts. It is estimated this would increase revenues by approximately $1.3 million in fiscal year 1986 and $2.9 million in fiscal year 1987.

GENERAL FUND INDIVIDUAL INCOME TAX COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	24.877342	24.49%
1971	27.070705	8.82%
1972	43.620321	61.13%
1973	49.321939	13.07%
1974	50.527303	2.44%
1975	56.703595	12.22%
1976	62.412990	10.07%
1977	71.591377	14.71%
1978	79.117312	10.51%
1979	90.509280	14.40%
1980	86.391870	- 4.55%
1981	93.463223	8.19%
1982	92.034568	- 1.53%
1983	97.152215	5.56%
1984	109.021660	12.22%
- - - - - -	-PROJECTED-	- - - - - -
1985	116.653000	7.00%
1986	123.466000	5.84%
1987	130.626000	5.80%

Corporation License Tax

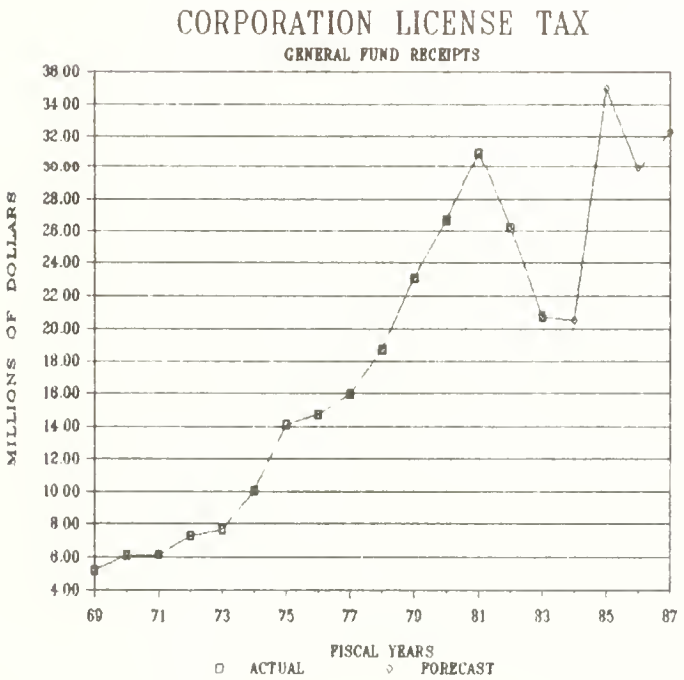
The corporation license tax is levied against a corporation's net income earned in Montana. The current tax rate is 6.75 percent. The corporation income tax is imposed on corporations that, for reasons of jurisdiction, are not taxable under a license tax. These taxes apply to both domestic and foreign corporations, although there is an alternative rate for foreign corporations meeting specific requirements.

Corporation taxes are distributed like individual income tax; 64 percent to the general fund, 25 percent to the public school equalization account and 11 percent to the long-range building debt service account. Eighty percent of the taxes collected from financial institutions is distributed to local governments in the county in which the financial institution is located. The remaining twenty percent is allocated by the above percents.

The forecasts for fiscal years 1985 through 1987 are based on a moderate level of economic growth. This assumption is premised on inflation and real interest rates of about 6 percent.

Additional factors that affect receipts include tax credits and audit efforts by the Department of Revenue. As with individual income tax, all forecasts have been adjusted by allowable credits. The projection for fiscal year 1985 includes a $10.6 million audit anticipated by the department.

GENERAL FUND CORPORATION LICENSE TAX COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	6.102954	18.17%
1971	6.147716	0.73%
1972	7.326719	19.18%
1973	7.716643	5.32%
1974	10.071143	30.51%
1975	14.130292	40.30%
1976	14.732872	4.26%
1977	15.972633	8.41%
1978	18.712814	17.16%
1979	23.098659	23.44%
1980	26.658417	15.41%
1981	30.962755	16.15%
1982	26.234449	-15.27%
1983	20.733658	-20.97%
1984	20.547177	- 0.90%
- - - - -	-PROJECTED-	- - - - -
1985	35.017000	70.42%
1986	29.957000	-14.45%
1987	32.304000	7.83%

Coal Severance Tax

The coal severance tax is imposed on all coal production in excess of 20,000 tons per company per calendar year. However, producers of 50,000 tons or less in any calendar year are exempt from the tax. The current tax rate is 30 percent of value for coal with a heating quality of 7,000 or more BTU's per pound. Coal with a lower BTU rate is taxed at 20 percent.

The distribution of the tax has been modified several times since the enactment of the tax in 1975. The current and future statutory tax distributions are presented in the following tables.

COAL TAX DISTRIBUTION TABLE

ACCT. ENTITY	ACCOUNT NAME	EFFECTIVE JULY 1, 1983	EFFECTIVE JULY 1, 1986
01100	General Fund	19.000%	16.720%
02403	Public School Equalization	5.000%	4.400%
02405	State Library	0.500%	.440%
02424	Highway Reconstruction Trust	.000%	6.000%
02434	Conservation Districts	0.250%	.220%
02437	Alternative Energy Research	2.250%	1.980%
02444	County Land Planning	0.500%	.440%
02445	Local Impact	8.750%	7.700%
04008	Renewable Resources Bond	0.625%	.550%
04011	Water Development	0.625%	.550%
09001	Permanent Trust	50.000%	50.000%
09004	Park Acquisition Trust	2.500%	2.200%
09005	Education Trust	10.000%	8.800%
	TOTALS	100.000%	100.000%

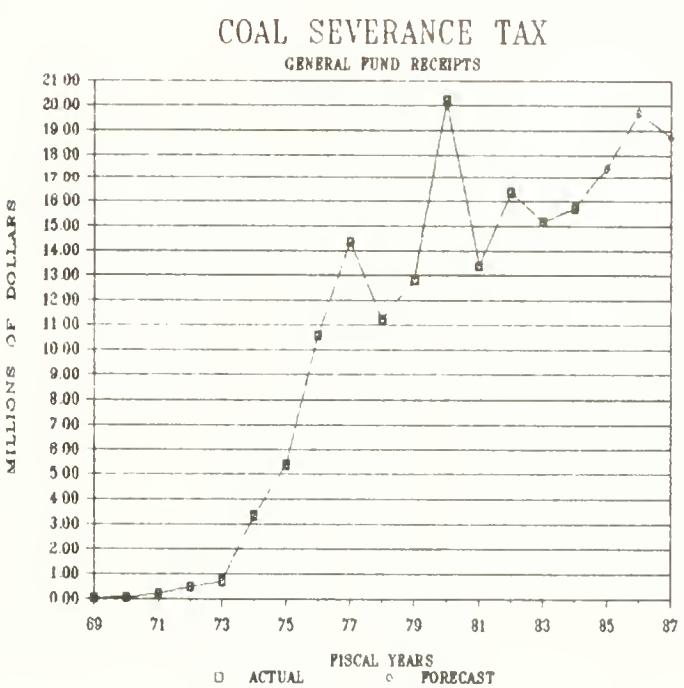
Coal severance tax revenues are dependent on the contract sales price per ton of coal and the number of tons produced. Since most of Montana's coals is sold to utilities under long-term contracts, prices are usually allowed to increase by inflation indicies specified in the contracts.

The other factor that offsets the prices of coal is the deductibility of royalty payments from the contract sales price. The 48th legislature approved a bill that phases in the royalty deduction over a period of three years. These deductions have been included in the price forecasts.

Production levels are driven by the demand for electrical power. Based on a survey of the major coal producers, production is anticipated to grow to 36.5 million tons by calendar year 1987. The majority of the increase can be attributed to Montana Power's Colstrip Unit 4 coming on-line in July of 1986.

A dispute involving the state's authority to tax coal mined on Crow Indian land has prompted Westmoreland Resources to protest the taxes paid on this production. Until a settlement is litigated, these taxes are being deposited in an escrow account. Tax forecasts for fiscal year 1985 through 1987 assume a settlement will not be reached until after fiscal year 1987.

GENERAL FUND COAL SEVERANCE TAX COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	0.050300	163.27%
1971	0.212056	321.58%
1972	0.483434	127.97%
1973	0.694213	43.60%
1974	3.315416	377.58%
1975	5.395415	62.74%
1976	10.586335	96.21%
1977	14.362422	35.67%
1978	11.241695	-21.73%
1979	12.806813	13.92%
1980	20.222579	57.90%
1981	13.378906	-33.84%
1982	16.375541	22.40%
1983	15.208581	- 7.13%
1984	15.736468	3.47%
- - - - -	-PROJECTED-	- - - - -
1985	17.444000	10.85%
1986	19.735000	13.13%
1987	18.732000	- 5.08%

Oil Severance Tax

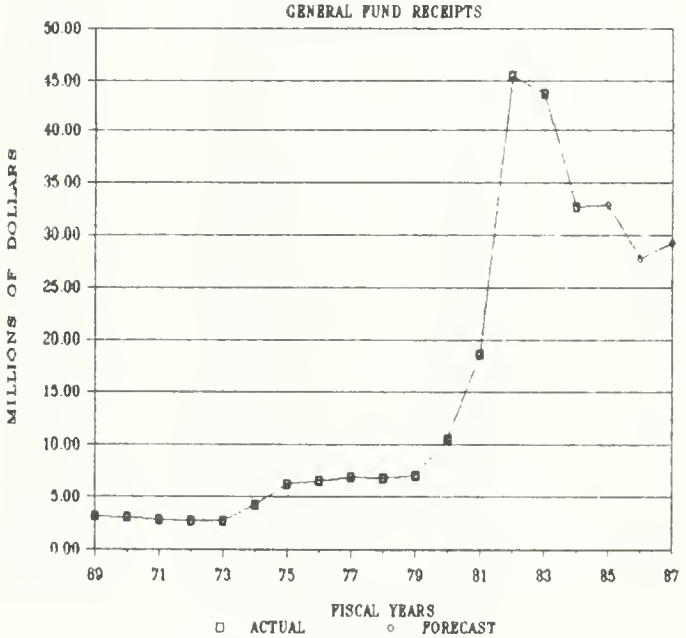
An oil severance tax is imposed on the production of petroleum and other mineral or crude oil in the state. The tax was first enacted in 1921 and has since undergone several modifications. On April 1, 1983, the tax rate increased from 5 to 6 percent. However, on April 1, 1985, the tax rate will revert back to 5 percent.

Beginning in fiscal year 1984, one-third of the tax is deposited in the local government block grant account and two-thirds in the general fund account. If production in any county increases over production in the previous year, taxes on the increased production are returned to the county by a general fund appropriation. This procedure was recommended by the Legislative Auditor.

Oil severance tax revenues are dependent on the price per barrel and the number of barrels produced. Since oil is a commodity that is used for many purposes, the prices depend upon federal regulations and world demand. Even in the wake of international price cuts, it is assumed that prices will stabilize and drift slightly upward by calendar year 1987. This is based on OPEC's recent agreement to cut daily production.

Production is expected to increase above calendar year 1983 levels. Economic recovery and OPEC production cuts should stimulate world demand.

GENERAL FUND OIL SEVERANCE TAX COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	3.038492	- 3.75%
1971	2.766963	- 8.94%
1972	2.668316	- 3.57%
1973	2.692453	0.90%
1974	4.255716	58.06%
1975	6.179984	45.22%
1976	6.563569	6.21%
1977	6.884010	4.88%
1978	6.808100	- 1.10%
1979	7.056573	3.65%
1980	10.544555	49.43%
1981	18.654469	76.91%
1982	45.473425	143.77%
1983	43.787960	- 3.71%
1984	32.686014	-25.35%
- - - - -	-PROJECTED-	- - - - -
1985	32.837000	0.46%
1986	27.792000	-15.36%
1987	29.269000	5.31%

Interest On Investments

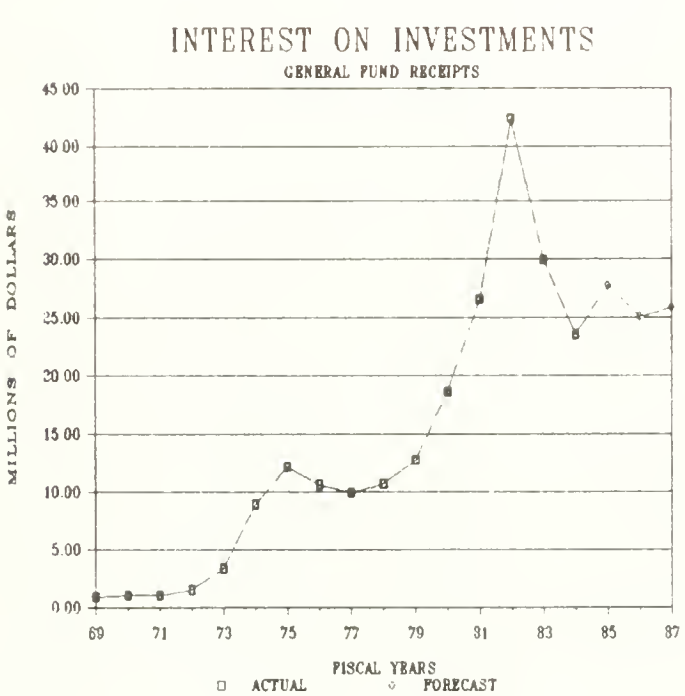
The Department of Administration's Board of Investments is responsible for investing state funds. Sections 17-6-201 and 17-6-211, MCA provide specific guidelines under which the funds must be invested. Unless specifically stated by statute, all interest earned on these investments is deposited in the general fund.

Since fiscal year 1980 interest income has become a major source of general fund revenue. Higher interest rates and larger investable balances have caused this to occur.

Interest on investments is projected to increase in fiscal year 1985 and then decline in fiscal years 1986 and 1987. The increase in 1985 is expected because tax anticipation notes were sold this year and not last year. The decline in 1986 and 1987 is the result of a bill passed by the 48th Legislature that authorizes interest earned on the highway gas account to accrue to the highway account.

Although interest rates remain high by historic standards, rates are expected to drift upward until late 1986 and then retreat slightly in 1987. These trends are consistent with the forecasts provided by Chase Econometrics.

GENERAL FUND INTEREST ON INVESTMENTS COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	1.064999	22.03%
1971	1.027335	- 3.54%
1972	1.507755	46.76%
1973	3.391643	124.95%
1974	8.884671	161.96%
1975	12.150937	36.76%
1976	10.607372	-12.70%
1977	9.891246	- 6.75%
1978	10.663504	7.81%
1979	12.714971	19.24%
1980	18.633664	46.55%
1981	26.566775	42.57%
1982	42.442544	59.76%
1983	29.918421	-29.51%
1984	23.527514	-21.36%
- - - - -	-PROJECTED-	- - - - -
1985	27.732000	17.87%
1986	25.099000	- 9.49%
1987	25.820000	2.87%

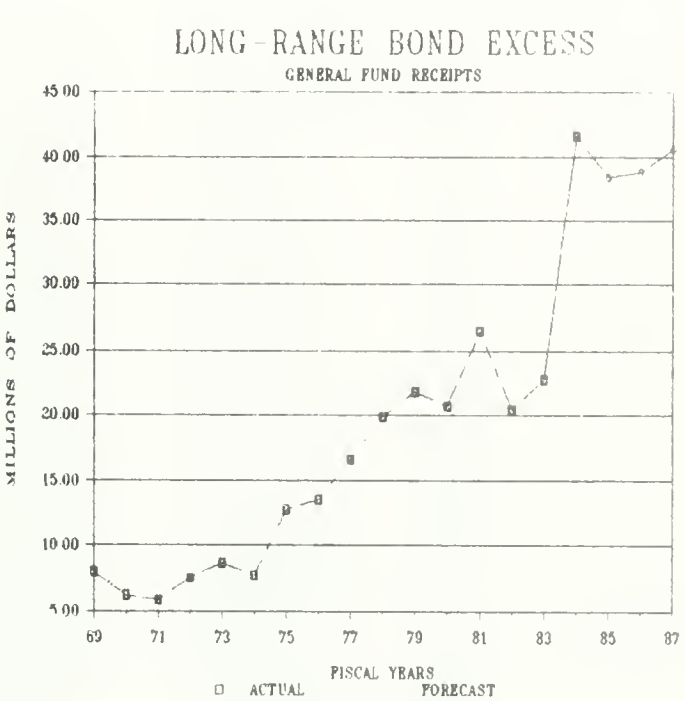
Long-Range Bond Excess

Each biennium all agencies are requested to submit proposals for capital projects to be funded from the sale of long-range building bonds. If the legislature authorizes the sale, the principal and interest charges are paid from the long-range building debt service account. Revenues deposited to this account include portions of the individual income tax, corporation license tax, cigarette tax and tobacco tax. When the amount of money in the debt service account exceeds the annual principal and interest payments, the excess in transferred to the general fund.

Historically revenues from this source were estimated by adding anticipated receipts from the tax sources mentioned above and subtracting the necessary principal and interest payments. However, in fiscal year 1984, the Department of Administration began transferring all debt service revenues to the general fund. A general fund appropriation was also established to transfer the necessary principal and interest payments back to the debt service account. These accounting transactions had zero impact on the general fund balance.

It is assumed that these procedures will continue through fiscal year 1987 and that there will not be any additional long-range building bonds sold. Discussions of the tax forecasts are presented elsewhere in this document.

GENERAL FUND LONG-RANGE BOND EXCESS COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	6.200000	-22.50%
1971	5.850000	- 5.65%
1972	7.540000	28.89%
1973	8.685000	15.19%
1974	7.717204	-11.14%
1975	12.787314	65.70%
1976	13.512425	5.67%
1977	16.589012	22.77%
1978	19.900000	19.96%
1979	21.800000	9.55%
1980	20.700000	- 5.05%
1981	26.500000	28.02%
1982	20.450000	-22.83%
1983	22.797971	11.48%
1984	41.682643	82.83%
- - - - -	-PROJECTED-	- - - - -
1985	38.449000	- 7.76%
1986	38.880000	1.12%
1987	40.652000	4.56%

Coal Trust Fund Interest

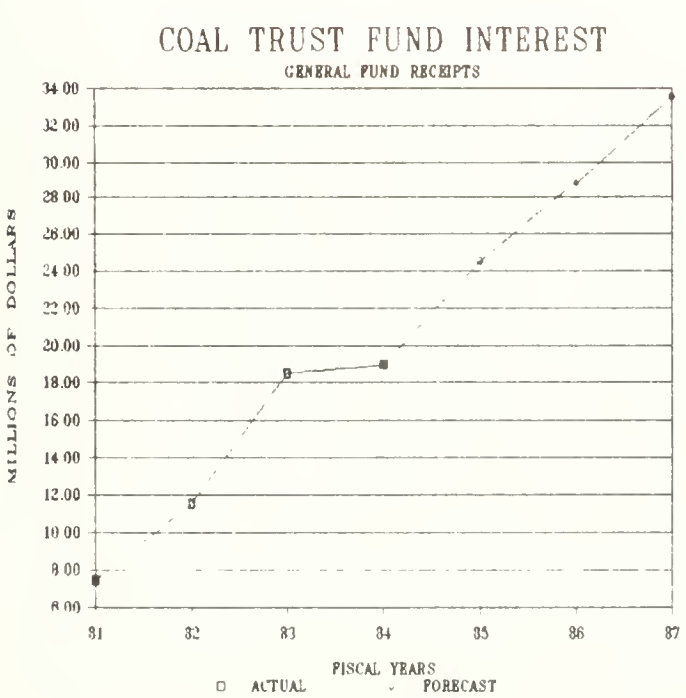
Article IX, section 5 of the Montana Constitution requires the Department of Revenue to deposit 50 percent of the coal severance tax receipts to the permanent trust fund. The principal is to be inviolate, unless 3/4 of the members of each house votes for its appropriation. The interest earned on the fund is available for appropriation each biennium. Interest earned on the fund is deposited in a clearance account and reinvested until appropriated.

In 1982 voters approved initiative 95 which required one-fourth of all future deposits to the permanent trust fund be invested in the Montana economy. This redistribution has caused investment income to grow at a slower rate. However, if this policy succeeds in stimulating economic development, collections from personal and corporate income taxes will increase, offsetting a portion of the loss in investment income.

The 48th Legislature established the authority to issue and sell coal severance tax bonds for financing specific water resource development projects. Debt service on these bonds is retired primarily with pledged project and coal severance tax revenues. This requirement will reduce permanent trust fund receipts by about $300,000 in fiscal years 1986 and 1987.

Total permanent trust interest income is projected to increase over the forecast period. Balances available for investment are expected to increase because of higher coal severance tax receipts. Long-term interest rates as forecast by Chase Econometrics are estimated to gradually increase by calendar year 1986.

GENERAL FUND COAL TRUST FUND INTEREST COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970		
1971		
1972		
1973		
1974		
1975		
1976		
1977		
1978		
1979		
1980		
1981	7.421901	
1982	11.542421	55.52%
1983	18.466762	59.99%
1984	18.947636	2.60%
- - - - -	-PROJECTED-	- - - - -
1985	24.529000	29.46%
1986	28.792000	17.38%
1987	33.560000	16.56%

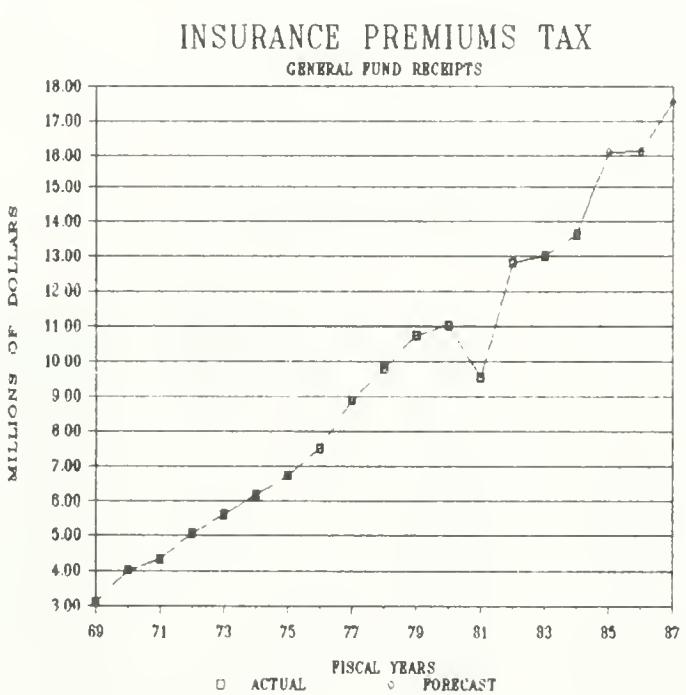
Insurance Premiums Tax

The insurance premiums tax is levied on the net premiums or gross underwriting profit for each insurance company operating in Montana. The tax was first enacted in 1897 and has been modified several times since then. The current tax rate is 2.75 percent of net premiums on policies sold in Montana. Receipts from the tax are distributed to the police and firemen pension funds with the remainder going to the general fund.

The level of insurance tax receipts is dependent on the affordability of insurance and the attitude of consumers toward insurance purchases. Based on a moderate growth in total personal income and employment, taxes for fiscal years 1985 through 1987 are forecast to increase by about 8 percent. This rate is consistent with the growth observed from 1983 to 1984.

Senate bill 429 passed by the 48th Legislature increased the state's contribution to the police and firemen pension funds. These changes have been incorporated in the revenue estimates.

GENERAL FUND INSURANCE PREMIUMS TAX COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	4.003699	29.96%
1971	4.333425	8.24%
1972	5.065751	16.90%
1973	5.612473	10.79%
1974	6.166923	9.88%
1975	6.723217	9.02%
1976	7.496699	11.50%
1977	8.885923	18.53%
1978	9.787436	10.15%
1979	10.748226	9.82%
1980	11.031794	2.64%
1981	9.551061	-13.42%
1982	12.790003	33.91%
1983	13.011479	1.73%
1984	13.621332	4.69%
- - - - -	-PROJECTED-	- - - - -
1985	16.109000	18.26%
1986	16.139000	0.19%
1987	17.558000	8.79%

Public Institution Reimbursements

The Department of Institutions receives reimbursements for the cost of sheltering and treating residents of the state institutions. There are four sources of reimbursement income:

- o state and federally matched medicaid monies;
- o insurance proceeds from companies with whom the resident is insured;
- o payments by residents or persons legally responsible for them;
- o and federal medicare funds.

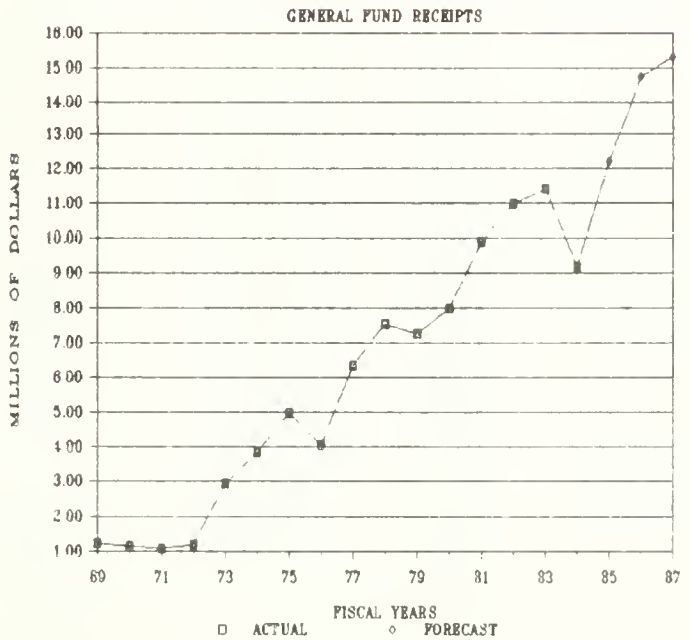
All revenue collected from these sources is deposited in the general fund. The one exception is the Veteran's Home receipts which are returned to the institution.

Most of the reimbursements come from state and federally matched medicaid payments. For example, in fiscal year 1984 approximately 88 percent of all reimbursements collected were medicaid receipts. Forecasts for this component are based on the medicaid Executive Budget request for the Department of Social and Rehabilitation Services. This request assumes that the number of patient care days will remain constant at the 1985 level.

The other three components of reimbursement are expected to increase by the rate of inflation or roughly 6 percent per year.

The estimates for fiscal year 1986 and 1987 include about $2 million annually for medicaid reimbursements from the Montana Youth Treatment Center at Billings.

GENERAL FUND PUBLIC INSTITUTION REIMBURSEMENTS COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	1.146193	- 5.78%
1971	1.069182	- 6.72%
1972	1.184218	10.76%
1973	2.945826	148.76%
1974	3.838150	30.29%
1975	4.964138	29.34%
1976	4.054219	-18.33%
1977	6.324501	56.00%
1978	7.532377	19.10%
1979	7.264924	- 3.55%
1980	7.981975	9.87%
1981	9.899562	24.02%
1982	10.974196	10.86%
1983	11.406505	3.94%
1984	9.179921	-19.52%
- - - - -	-PROJECTED-	- - - - -
1985	12.213000	33.04%
1986	14.758000	20.84%
1987	15.310000	3.74%

Liquor Profits and Excise Tax

The Department of Revenue is authorized to sell liquor and wines to the public and retail liquor establishments throughout the state. These sales result in profits which are deposited in the general fund.

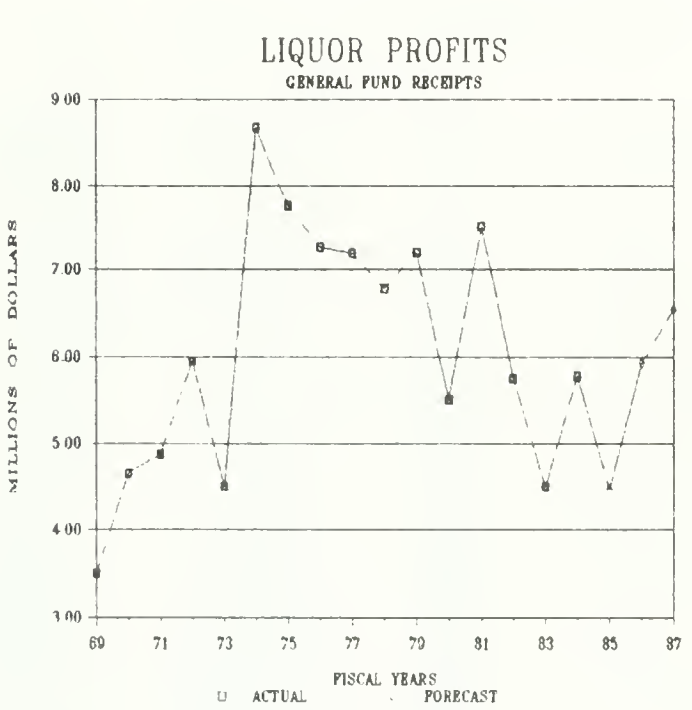
Prices established by the department include a standard mark-up, a 16 percent excise tax and a 10 percent license tax. All of the excise tax is deposited in the general fund. The license tax is distributed to the Department of Institutions and cities, towns and counties for alcohol treatment and rehabilitation programs.

Liquor sales for fiscal year 1985 through 1987 are expected to show little growth from their fiscal 1984 level. Although total personal income is growing, there appears to be a national trend towards moderation in liquor consumption.

The liquor division's operating expenses for the 1986-87 biennium are expected to remain constant at the fiscal 1984 level. If modifications to their current level budget are approved, total profits will decrease accordingly.

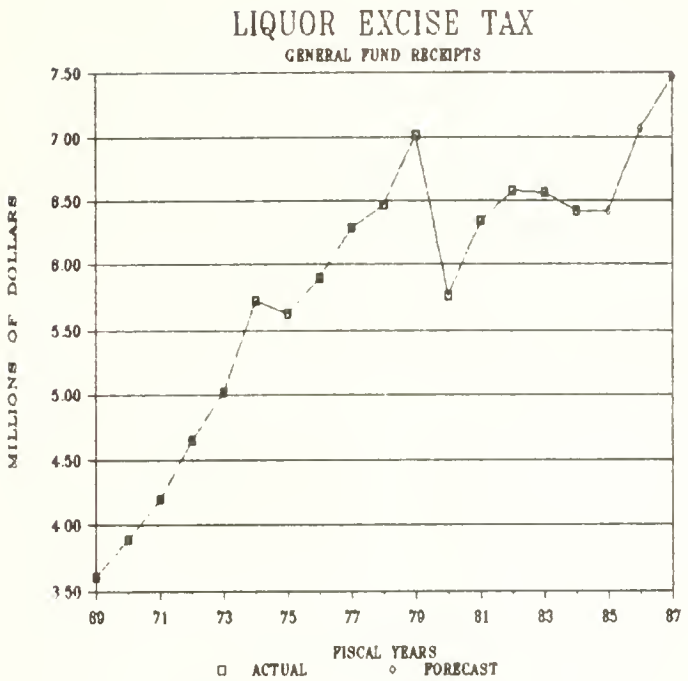
The deficit reduction package passed by Congress increased the federal tax on alcohol by 19.05 percent. This change is expected to increase Montana's total liquor sales which translates to larger profits and higher excise taxes. The forecasts for liquor profits and excise taxes are based on this law being effective October 1, 1985.

GENERAL FUND LIQUOR PROFITS COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	4.653815	32.97%
1971	4.878745	4.83%
1972	4.950000	21.96%
1973	4.500000	-24.37%
1974	8.675600	92.79%
1975	7.738305	-10.80%
1976	7.260551	- 6.17%
1977	7.189862	- 0.97%
1978	6.778951	- 5.72%
1979	7.200000	6.21%
1980	5.500887	-23.60%
1981	7.499113	36.33%
1982	5.750000	-23.32%
1983	4.500000	-21.74%
1984	5.782000	28.49%
- - - - - -	-PROJECTED-	- - - - - -
1985	4.466000	-22.76%
1986	5.924000	32.65%
1987	6.544000	10.47%

GENERAL FUND LIQUOR EXCISE TAX COLLECTIONS



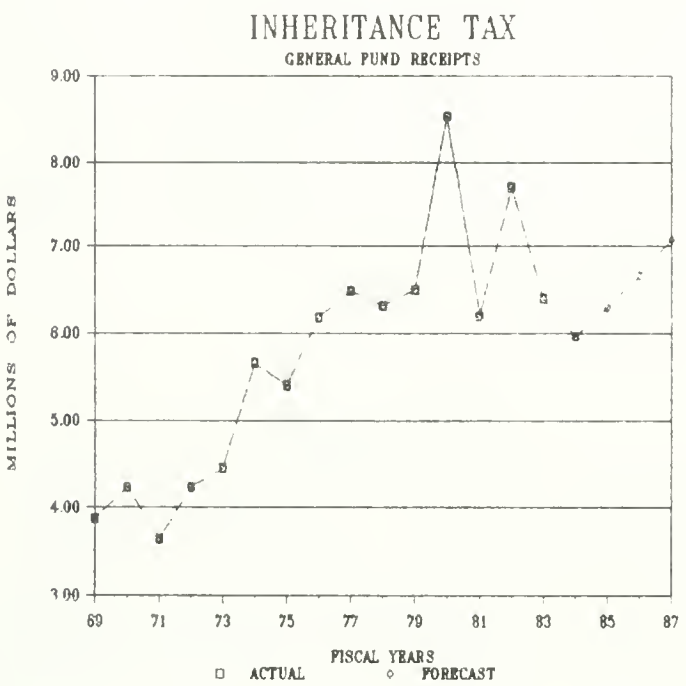
FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	3.892771	7.95%
1971	4.197793	7.84%
1972	4.652984	10.84%
1973	5.022561	7.94%
1974	5.730242	14.09%
1975	5.625391	- 1.83%
1976	5.900333	4.89%
1977	6.286748	6.55%
1978	6.459007	2.74%
1979	7.022237	8.72%
1980	5.764741	-17.91%
1981	6.340958	10.00%
1982	6.572066	3.64%
1983	6.559727	- 0.19%
1984	6.415784	- 2.19%
- - - - -	-PROJECTED-	- - - - -
1985	6.418000	0.03%
1986	7.074000	10.22%
1987	7.470000	5.60%

Inheritance Tax

The inheritance tax is imposed on the transfer of any decedent's property, interest in property, or income from property within the state to any other person or corporation except a surviving spouse, or governmental or charitable organization. The tax rate varies from 0 to 32 percent depending on the size of the estate and the relationship of the decedent to the beneficiary. All revenue collected from the inheritance tax is deposited in the general fund.

Since 1980 revenues from inheritance taxes have fluctuated erratically because of legislative changes, accounting procedures and the processing of several large estates. The forecasts for fiscal years 1985 through 1987 are based on a 6 percent annual growth rate. Returns processed are expected to remain stable and of average size.

GENERAL FUND INHERITANCE TAX COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	4.233429	9.15%
1971	3.645252	-13.89%
1972	4.233991	16.15%
1973	4.457188	5.27%
1974	5.659992	26.99%
1975	5.395236	- 4.68%
1976	6.180106	14.55%
1977	6.483191	4.90%
1978	6.312432	- 2.63%
1979	6.490196	2.82%
1980	8.537242	31.54%
1981	6.195069	-27.43%
1982	7.680529	23.98%
1983	6.398489	-16.69%
1984	5.960471	- 6.85%
- - - - -	-PROJECTED-	- - - - -
1985	6.289000	5.51%
1986	6.656000	5.84%
1987	7.072000	6.25%

Metal Mines Tax

The metalliferous mines license tax is imposed on the production of metals, gems or stones in the state. The tax rate is applied to the gross value of the product which is defined as the market value of the commodity times the quantity produced. No deductions are allowed for smelting, reductions or treatments.

For tax years beginning after December 31, 1984, the tax rate will be:

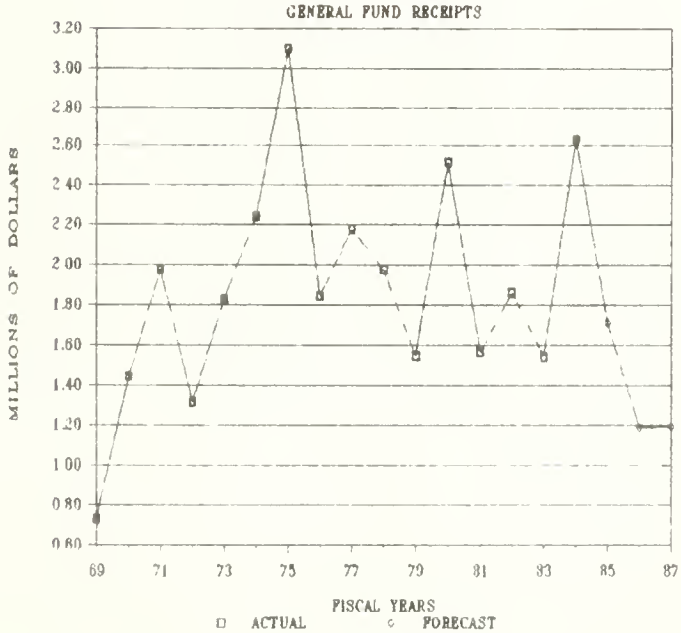
Gross Value	Rate
$0-$250,000	Exempt
$250,000-$500,000	.50%
$500,000-$1,000,000	1.00%
>$1,000,000	1.50%

Historically, the metal mines tax has been deposited in the general fund. Beginning in fiscal year 1986, one-third of the receipts will be deposited in a hard-rock mining trust account.

Metal prices, metal production and the effective tax rate are the major factors that determine the level of metal mines tax receipts. Production for gold, silver and copper are expected to increase modestly throughout the forecast period. Prices are assumed to remain constant at calendar year 1984 levels.

Major companies that are currently operating in Montana include Golden Sunlight, ASARCO, Landusky, Zortman and Black Pine. No new companies are anticipated to begin operating by the end of calendar year 1986.

GENERAL FUND METAL MINES TAX COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	1.440898	97.87%
1971	1.976202	37.15%
1972	1.313736	-33.52%
1973	1.828501	39.18%
1974	2.239654	22.49%
1975	3.099368	38.39%
1976	1.845076	-40.47%
1977	2.177777	18.03%
1978	1.978993	- 9.13%
1979	1.544518	-21.95%
1980	2.516820	62.95%
1981	1.564569	-37.84%
1982	1.861208	18.96%
1983	1.542061	-17.15%
1984	2.630135	70.56%
- - - - -	-PROJECTED-	- - - - -
1985	1.711000	-34.95%
1986	1.185000	-30.74%
1987	1.190000	0.42%

Electrical Energy Tax

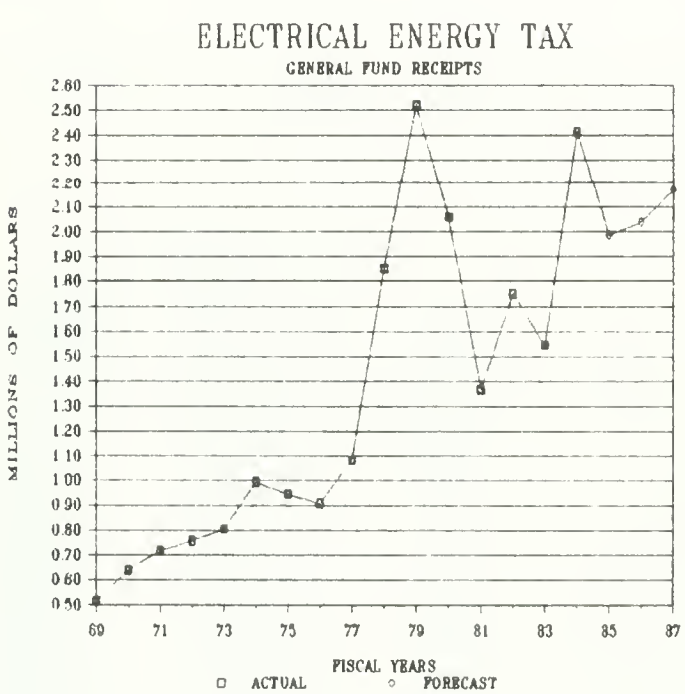
The electrical energy tax is imposed on each person or organization engaged in generating, manufacturing or producing electrical energy in Montana. The tax rate of $.0002 per kilowatt-hour is levied against all electrical energy produced within the state. A deduction is allowed for "actual and necessary" energy used by the plant for the production of the energy. All receipts are deposited in the general fund.

Total U.S. electricity production has grown by 2.2 percent since calendar year 1974. It is assumed that Montana's production will follow this trend and that demand for electrical power will increase at this rate throughout the 1986-87 biennium.

An adjustment to the forecasts has been made based on a July 1986 completion date for Colstrip Unit 4. Production capacity for both Colstrip Unit 3 and Colstrip Unit 4 is assumed to be 60 percent the first year and 70 percent thereafter.

An audit by the Department of Revenue in fiscal year 1984 generated $552,000 in additional revenue collections. This one-time adjustment has been accounted for in subsequent years.

GENERAL FUND ELECTRICAL ENERGY TAX COLLECTIONS



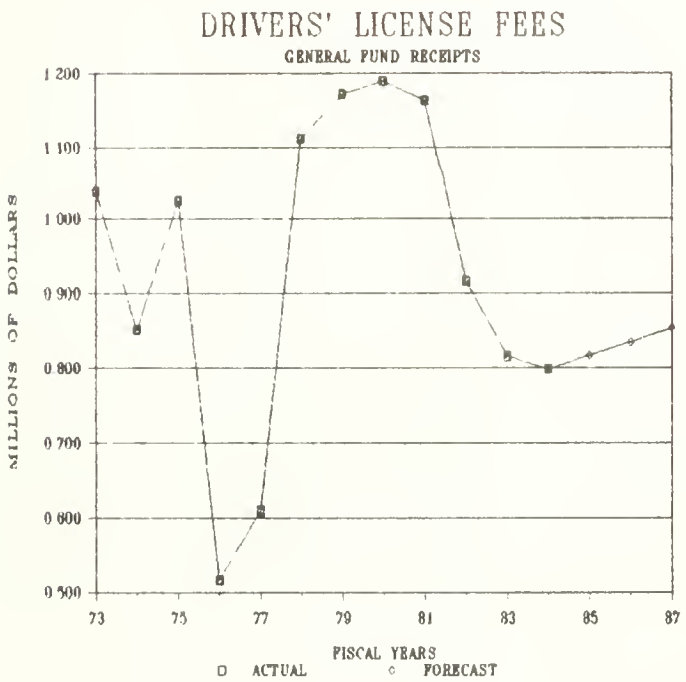
FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	0.639343	24.69%
1971	0.717378	12.21%
1972	0.756795	5.49%
1973	0.805716	6.46%
1974	0.992950	23.24%
1975	0.946504	- 4.68%
1976	0.907698	- 4.10%
1977	1.082858	19.30%
1978	1.850994	70.94%
1979	2.523707	36.34%
1980	2.060960	-18.34%
1981	1.367959	-33.63%
1982	1.753173	28.16%
1983	1.546157	-11.81%
1984	2.413172	56.08%
- - - - -	-PROJECTED-	- - - - -
1985	1.986000	-17.70%
1986	2.042000	2.82%
1987	2.169000	6.22%

Drivers' License Fees

A resident of Montana must have a valid driver's license to operate a motor vehicle on any highway in the state. A driver's license is issued only if the applicant passes specified examinations and pays an $8.00 fee. The fees are collected by motor vehicle division staff or county treasurers and are forwarded to the state treasurer for deposit. Sixty percent of the fees collected go to the general fund, thirty-five percent to the traffic safety and education account. Five percent of the fees collected by the county treasurers is retained by the counties and five percent of the fees collected by motor vehicle division staff is deposited in a highway patrol proprietary account.

Drivers' license fees are driven by the Montana population growth in the age cohort 15 years and older. Census data from 1970 and 1980 indicated that growth in this age cohort was 2.2 percent annually. Collections are forecast to continue this trend throughout the 1986-87 biennium.

GENERAL FUND DRIVERS' LICENSE FEES COLLECTIONS



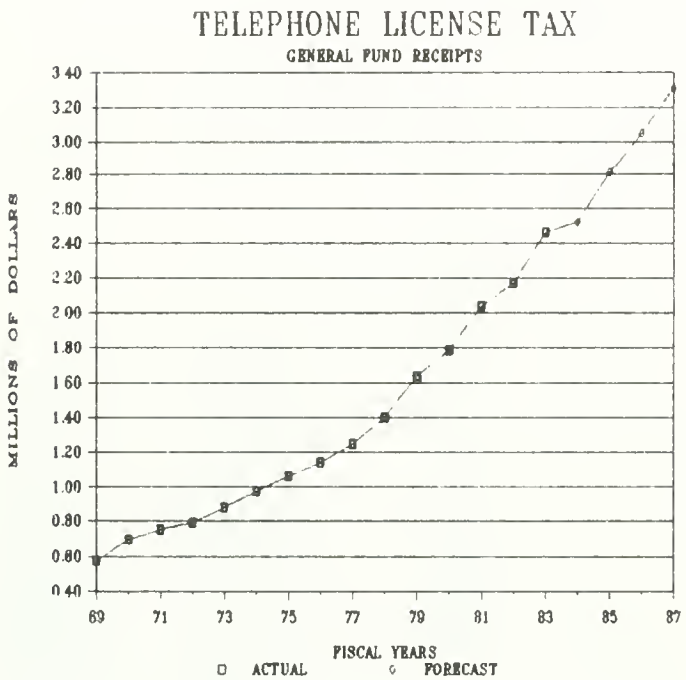
FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970		
1971		
1972		
1973	1.037772	
1974	0.851094	-17.99%
1975	1.024492	20.37%
1976	0.516664	-49.57%
1977	0.609501	17.97%
1978	1.111813	82.41%
1979	1.171820	5.40%
1980	1.189350	1.50%
1981	1.163647	- 2.16%
1982	0.916606	-21.23%
1983	0.816365	-10.94%
1984	0.799616	- 2.05%
- - - - -	-PROJECTED-	- - - - -
1985	0.817000	2.17%
1986	0.835000	2.20%
1987	0.854000	2.28%

Telephone License Tax

The telephone company license tax is levied on the gross income earned by any telephone business within the state, including the transmission of telephone messages by line or by microwave equipment. An exemption is allowed for the first $250 of gross income earned each quarter. The current tax rate of 1.725 percent is applied to the adjusted gross income level. All collections are deposited in the general fund.

Revenue forecasts for the telephone tax were based on the average growth rate of 8.5 percent observed since calendar year 1969. Those years that included rate increases granted by the public service commission were excluded from the average. If future rate increases are adopted by the public service commission, then the estimates will have to be adjusted accordingly.

GENERAL FUND TELEPHONE LICENSE TAX COLLECTIONS



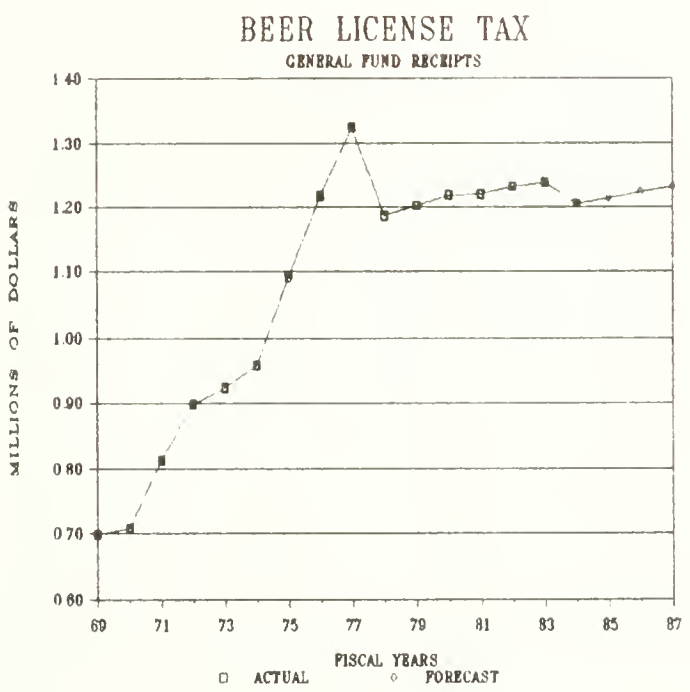
FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	0.694157	21.19%
1971	0.753389	8.53%
1972	0.792593	5.20%
1973	0.879057	10.91%
1974	0.970774	10.43%
1975	1.060939	9.29%
1976	1.137010	7.17%
1977	1.243602	9.37%
1978	1.398137	12.43%
1979	1.634245	16.89%
1980	1.783776	9.15%
1981	2.039383	14.33%
1982	2.167815	6.30%
1983	2.463670	13.65%
1984	2.521905	2.36%
- - - - -	-PROJECTED-	- - - - -
1985	2.814000	11.58%
1986	3.053000	8.49%
1987	3.311000	8.45%

Beer License Tax

A tax of $4.00 is levied on each barrel of beer produced or imported into Montana. Currently, 37 1/2 percent of the receipts are distributed to the general fund, 25 percent to the Department of Institutions alcoholism account and 37 1/2 percent to cities and towns.

Beer consumption since fiscal year 1979 has grown at a annual rate of about .7 percent. Revenue for fiscal years 1985 through 1987 are projected to continue at this same rate.

GENERAL FUND BEER LICENSE TAX COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	0.709254	1.44%
1971	0.813599	14.71%
1972	0.898703	10.46%
1973	0.923783	2.79%
1974	0.958806	3.79%
1975	1.092109	13.90%
1976	1.215114	11.26%
1977	1.325551	9.09%
1978	1.185362	-10.58%
1979	1.201430	1.36%
1980	1.216504	1.25%
1981	1.218383	0.15%
1982	1.229888	0.94%
1983	1.235805	0.48%
1984	1.204236	- 2.55%
- - - - - -	-PROJECTED-	- - - - - -
1985	1.213000	0.73%
1986	1.221000	0.66%
1987	1.230000	0.74%

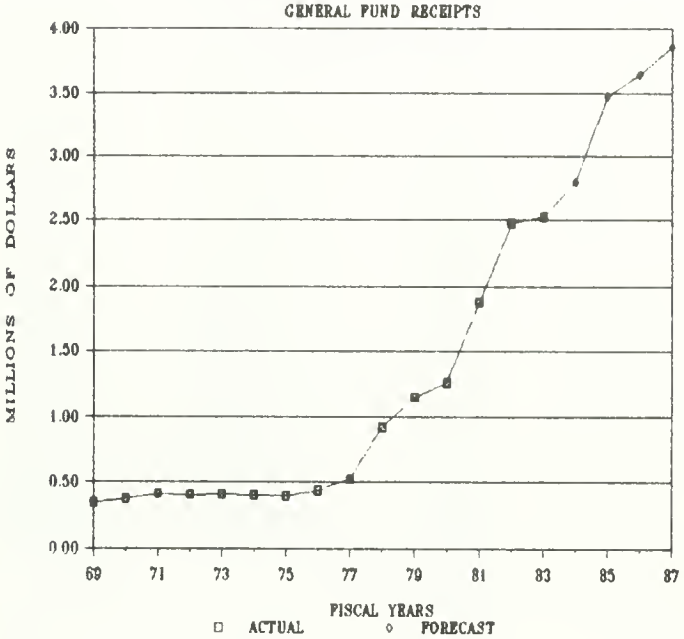
Natural Gas Severance Tax

A natural gas severance tax is imposed on the production of natural gas in Montana. The tax rate of 2.65 percent is applied to the total gross value of natural gas produced from each lease or unit. All receipts are deposited in the general fund.

If production in any county increases from the previous year, taxes on the increased production are returned to the county by a general fund appropriation. This procedure was recommended by the Legislative Auditor and implemented in fiscal year 1984.

Natural gas production is projected to remain at current levels throughout the forecast period. Prices are expected to increase only moderately.

GENERAL FUND NATURAL GAS SEVERANCE TAX COLLECTIONS



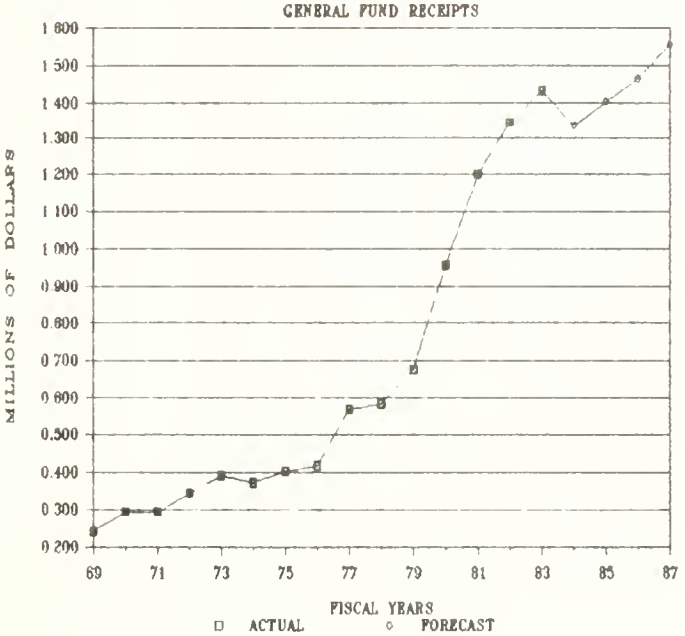
FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	0.379112	9.24%
1971	0.418475	10.38%
1972	0.410554	- 1.89%
1973	0.412667	0.51%
1974	0.406911	- 1.39%
1975	0.403359	- 0.87%
1976	0.445640	10.48%
1977	0.527496	18.37%
1978	0.923601	75.09%
1979	1.151104	24.63%
1980	1.264024	9.81%
1981	1.881292	48.83%
1982	2.474811	31.55%
1983	2.525059	2.03%
1984	2.797996	10.81%
- - - - -	-PROJECTED-	- - - - -
1985	3.481000	24.41%
1986	3.650000	4.85%
1987	3.862000	5.81%

Freight Line Tax

The freight line company tax is assessed on the gross earnings of every railroad freight line company operating in Montana. Freight line companies are defined as companies operating or leasing railroad freight cars but not owning the rails over which the cars travel. The tax rate of 5 1/2 percent is applied to the gross earnings derived from business during the calendar year. All monies collected from this tax are deposited in the general fund.

The deregulation of railroads under the Staggers Act of 1980 is credited with the recent changes in the freight line tax receipt patterns. Future revenues are projected to increase by about 6% over the forecast period.

GENERAL FUND FREIGHT LINE TAX COLLECTIONS



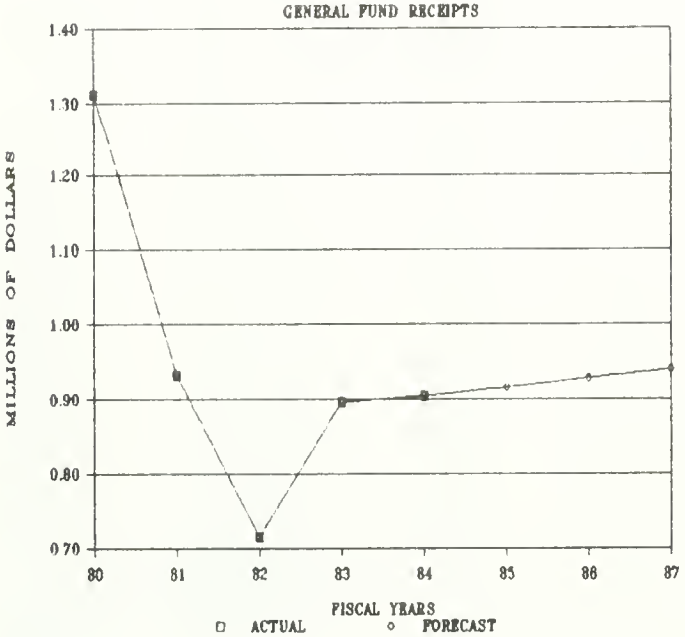
FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	0.293612	21.81%
1971	0.293303	- 0.11%
1972	0.343828	17.23%
1973	0.391288	13.80%
1974	0.371123	- 5.15%
1975	0.402583	8.48%
1976	0.416321	3.41%
1977	0.568326	36.51%
1978	0.582638	2.52%
1979	0.675790	15.99%
1980	0.956356	41.52%
1981	1.200093	25.49%
1982	1.344761	12.05%
1983	1.432164	6.50%
1984	1.334111	- 6.85%
- - - - -	-PROJECTED-	- - - - -
1985	1.402000	5.09%
1986	1.465000	4.49%
1987	1.556000	6.21%

Wine Tax

A wine tax is levied on table wines imported into Montana by wine distributors or the Department of Revenue. The $.20 per liter tax is distributed in the following manner: 80 percent to the general fund; 6.67 percent to the Department of Institutions alcoholism account; 6.67 percent to counties and 6.67 percent to cities.

Since wine taxes are not based on the value of the commodity, revenues are a function of consumption. The historical growth rate in U.S. distilled spirits consumption has averaged 1.3 percent since calendar year 1969. Tax receipts are projected to increase by this rate over the forecast period.

GENERAL FUND WINE TAX COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970		
1971		
1972		
1973		
1974		
1975		
1976		
1977		
1978		
1979		
1980	1.312406	
1981	0.931611	-29.02%
1982	0.715246	-23.22%
1983	0.895884	25.26%
1984	0.904905	1.01%
- - - - - -	-PROJECTED-	- - - - - -
1985	0.917000	1.34%
1986	0.928000	1.20%
1987	0.940000	1.29%

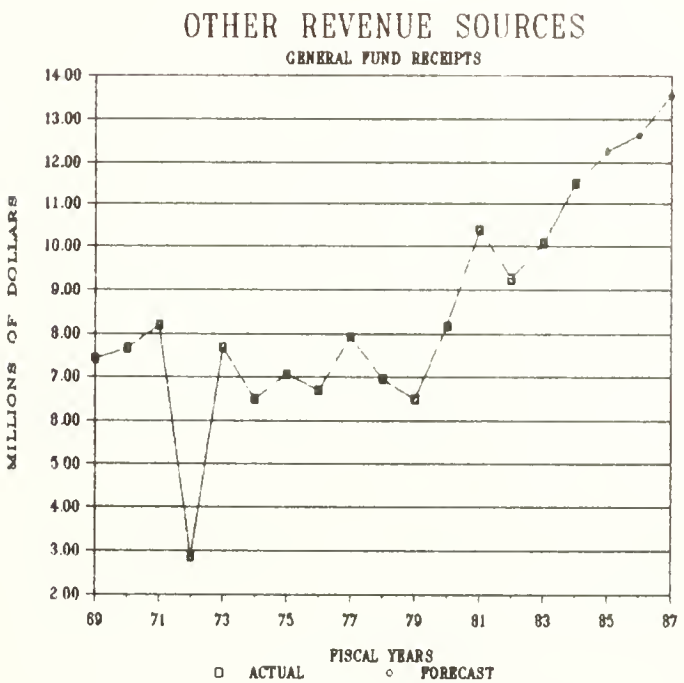
Other Revenue Sources

There are a number of other taxes and fees that individually generate less than $1 million annually to the general fund.

The statutes governing these taxes, fees and fines are frequently changed, thereby making the comparability of tax years difficult. However, if all the revenue sources are treated as a group, general trends can be identified.

Since fiscal year 1981, revenues in this category have grown an average of 7.2 percent per year after adjusting for one-time receipts. It is assumed this trend will continue throughout the forecast period. A negative adjustment of $465,000 was made to fiscal year 1986 and 1987 estimates to account for bank examination fees being deposited to a new state special revenue account.

GENERAL FUND OTHER REVENUE COLLECTIONS



FISCAL YEAR	GENERAL FUND COLLECTIONS (MILLION $)	PERCENT CHANGE
1970	7.669004	3.57%
1971	8.194068	6.85%
1972	2.847773	-65.25%
1973	7.682533	169.77%
1974	6.483429	-15.61%
1975	7.055104	8.82%
1976	6.689457	- 5.18%
1977	7.920975	18.41%
1978	6.952651	-12.22%
1979	12.834864	84.60%
1980	9.896386	-22.89%
1981	10.755539	8.68%
1982	9.476049	-11.90%
1983	11.176082	17.94%
1984	12.590802	12.66%
- - - - -	-PROJECTED-	- - - - -
1985	13.474000	7.01%
1986	13.930000	3.38%
1987	14.922000	7.12%

REVENUE ESTIMATE SUMMARY

The Executive Budget for the 1986-87 biennium is based upon a continuation of current tax policies. No general tax increase is recommended, although the budget assumes enactment of legislation which will raise the cigarette tax by eight cents per pack, effective October 1, 1985. Since the federal government is reducing the cigarette tax by eight cents, the total state and federal tax will remain at the current rate.

A change is also proposed in the distribution of the coal severance tax. Currently, 5 percent of the tax is distributed to the foundation program and 8 3/4 percent is allocated to local impact. The Governor is proposing that these distributions be reversed; 8 3/4 percent to the foundation program, 5 percent to the local impact account.

Total general fund revenues for the 1986-87 biennium are expected to increase by 9.9 percent from the current biennium. If you include the proposed cigarette tax increase, then the growth rate is 11.7 percent. This level of growth is strong in light of a slowing economy and the numerous tax adjustments authorized by the 48th Legislature.

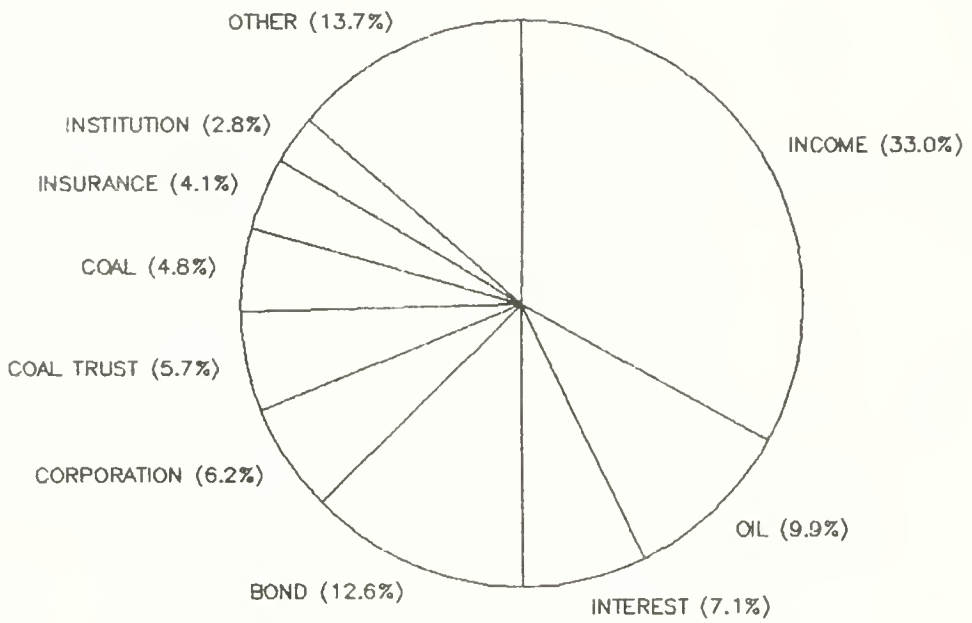
As indicated in the pie charts on the following pages, the mix of general fund revenues is anticipated to remain essentially at the 1984 level throughout the forecast period.

The individual income tax continues to be the largest contributor to the general fund. The fairly equal contributions by the other major revenue sources provide the general fund with the diversification that insures a stable revenue base.

As mentioned earlier, Montana is a large state with a vast potential for oil, coal and natural gas exploration and extraction. This potential, in conjunction with our current level of natural resource taxation, provides Montana with the opportunity to be highly dependent upon its natural resources. Based on current taxation policies, the following tables have been prepared to reflect our vulnerability to fluctuations in oil, coal and natural gas production and prices.

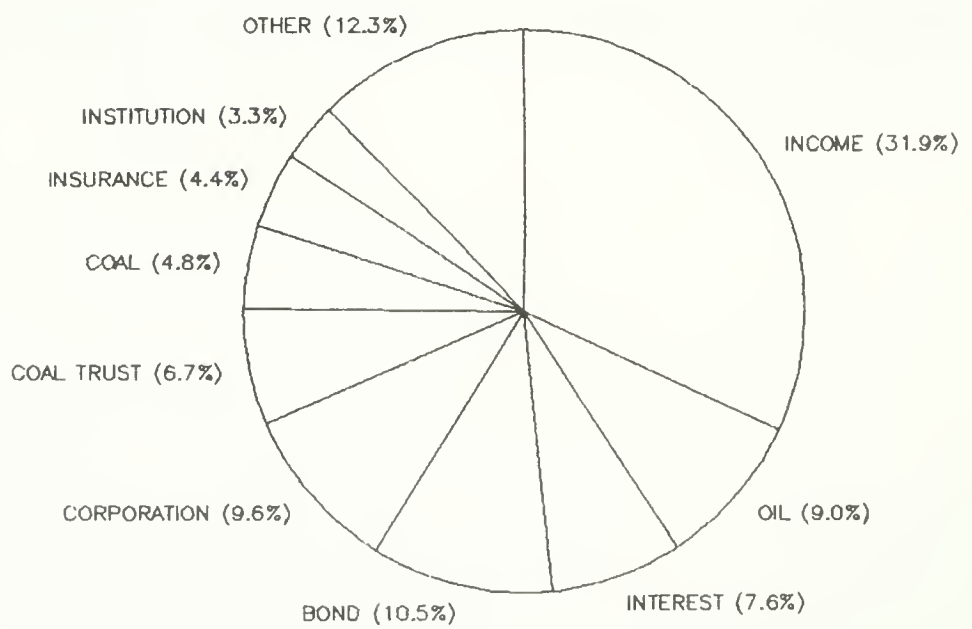
GENERAL FUND REVENUE ANALYSIS

CONTRIBUTION BY SOURCE – FY 84



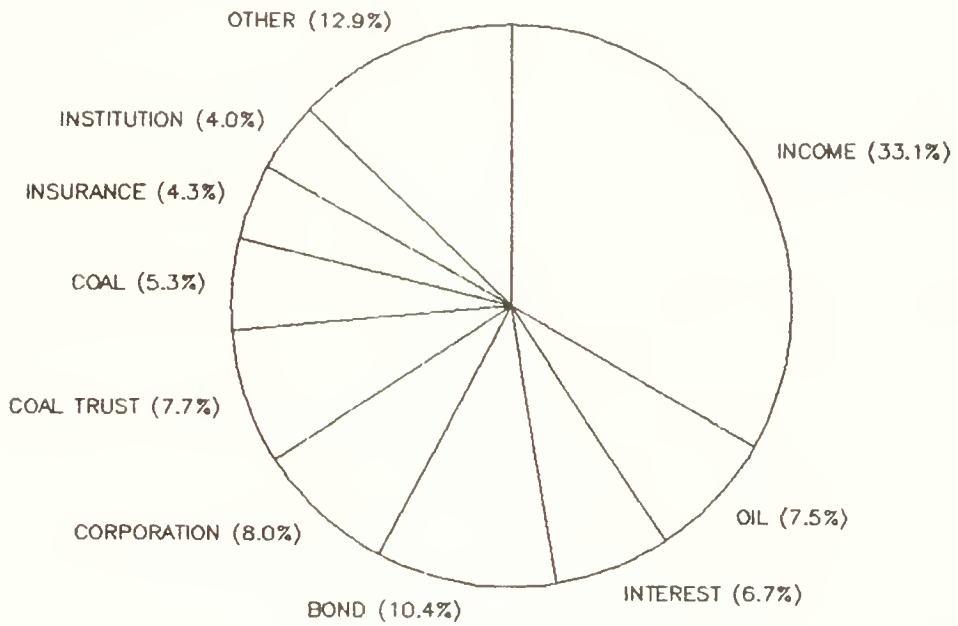
GENERAL FUND REVENUE ANALYSIS

CONTRIBUTION BY SOURCE – FY 85



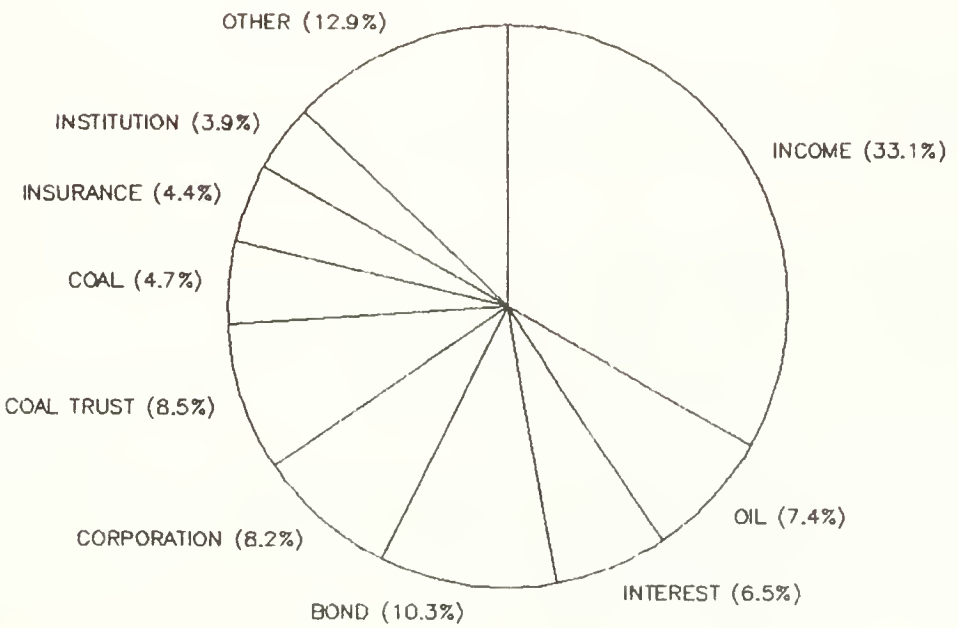
GENERAL FUND REVENUE ANALYSIS

CONTRIBUTION BY SOURCE – FY 86

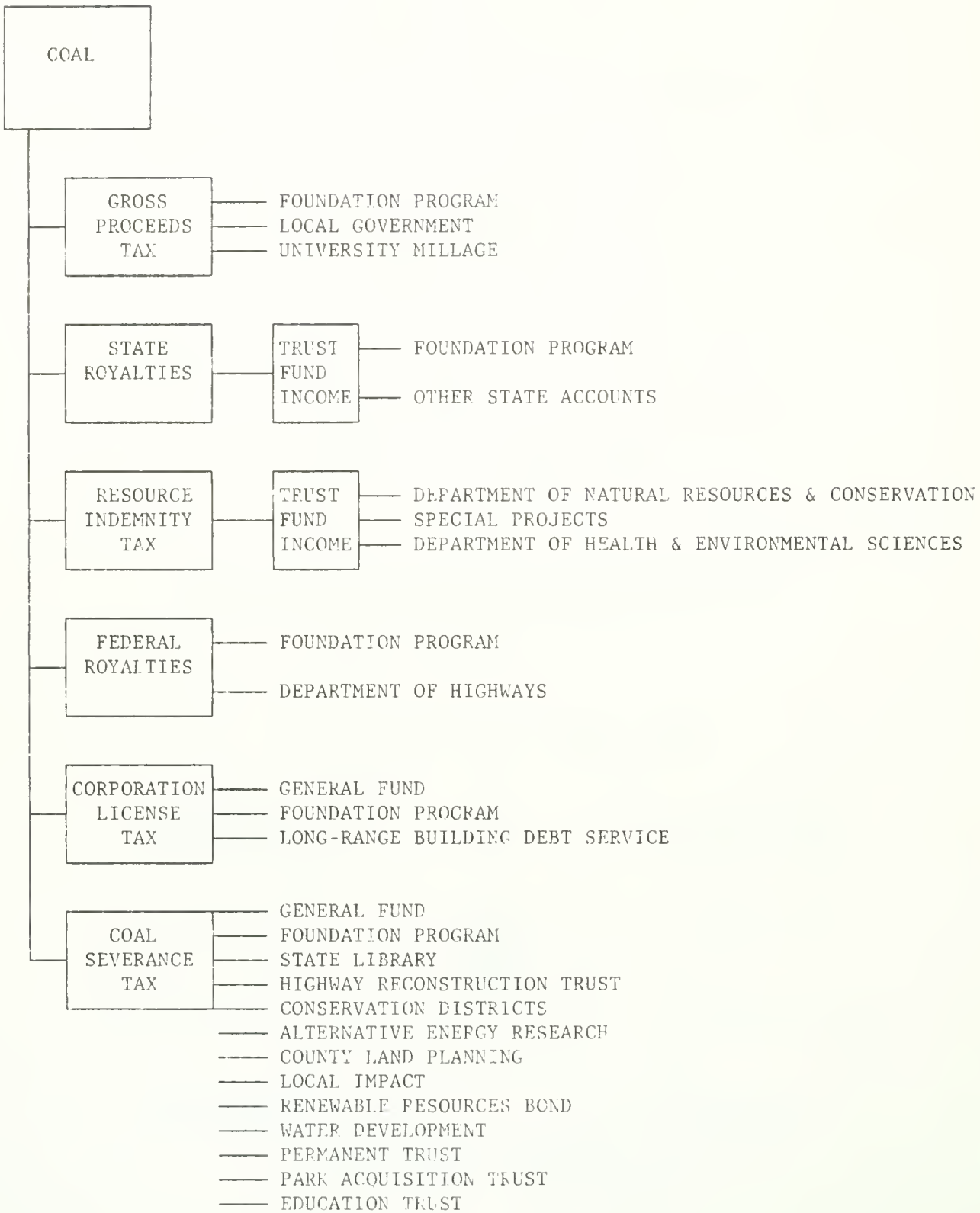


GENERAL FUND REVENUE ANALYSIS

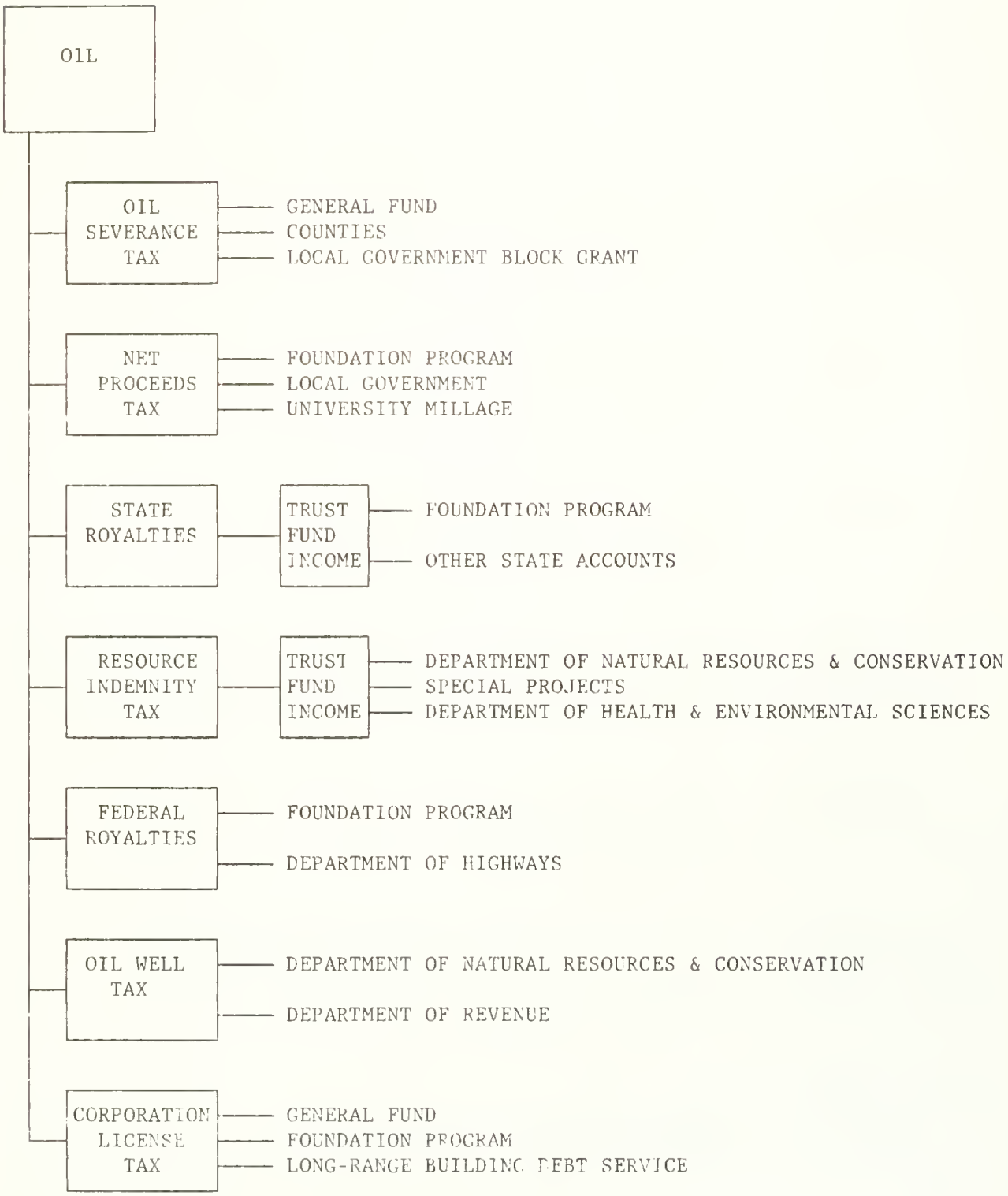
CONTRIBUTION BY SOURCE – FY 87



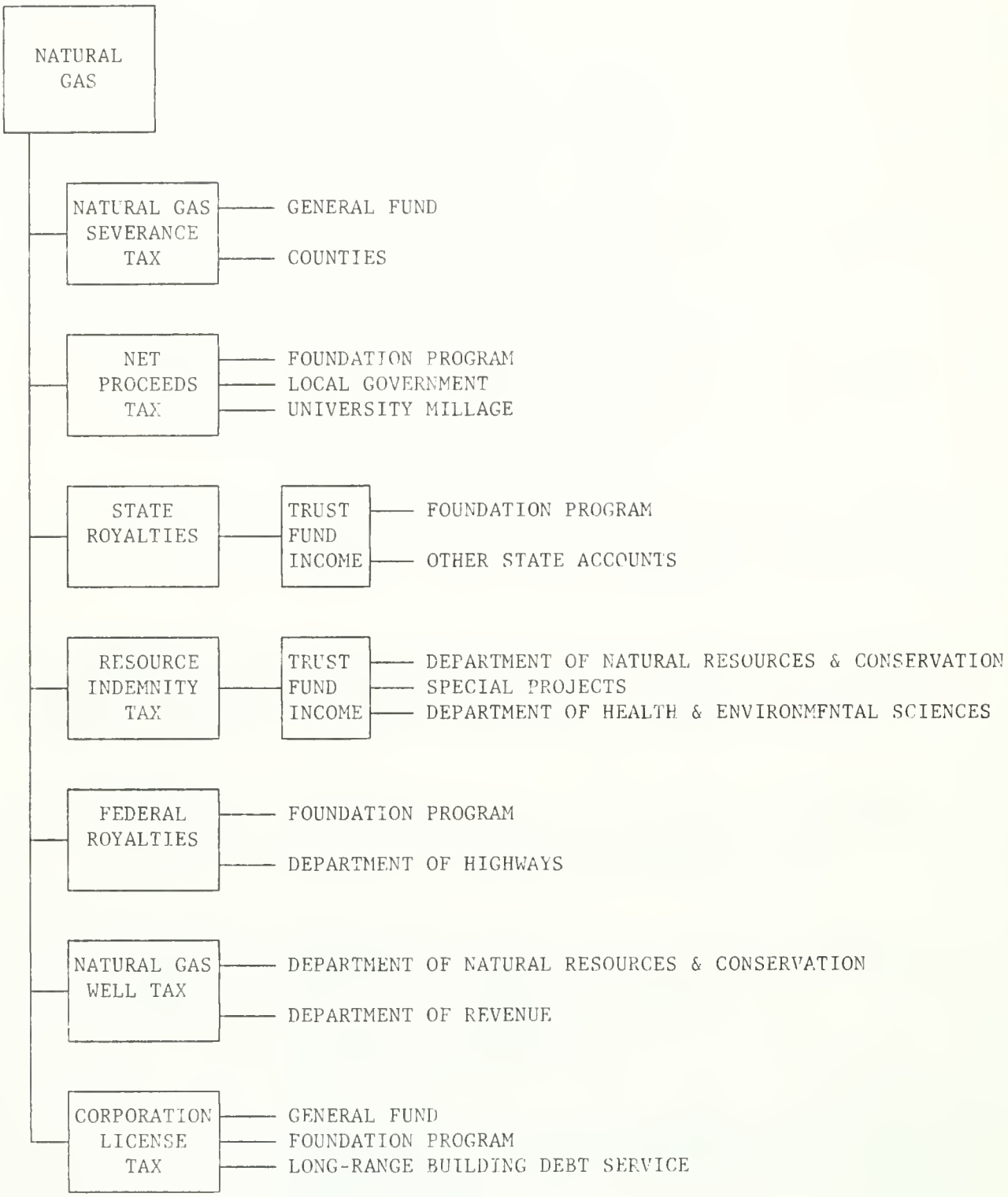
GRAPHIC REPRESENTATION OF REVENUE IMPACT
COAL



GRAPHIC REPRESENTATION OF REVENUE IMPACT
OIL



GRAPHIC REPRESENTATION OF REVENUE IMPACT
NATURAL GAS



BUDGET SUMMARY BY FUND

General Fund	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
LEGISLATIVE AUDITOR	1,085,455.01	1,692,776	1,370,944	1,335,845
LEGISLATIVE FISCAL ANALYST	546,148.55	615,250	679,906	718,568
LEGISLATIVE COUNCIL	1,643,438.93	2,126,484	2,124,317	2,358,620
LEGISLATURE-SENATE	124,297.29	0	0	0
LEGISLATURE-HOUSE	221,759.50	0	0	0
ENVIRONMENTAL QUALITY COUNCIL	214,794.99	233,241	244,446	244,668
JUDICIARY	3,833,788.40	3,998,123	4,256,684	4,233,949
GOVERNORS OFFICE	2,122,503.73	2,111,679	2,363,814	2,375,809
SECRETARY OF STATES OFFICE	901,609.33	872,397	893,561	917,998
COMMISSIONER OF POLITICAL PRAC	140,806.38	140,275	147,131	141,218
STATE AUDITORS OFFICE	1,965,520.33	2,058,509	1,971,845	1,935,316
OFFICE OF PUBLIC INSTRUCTION	48,174,638.52	45,341,263	52,034,695	52,324,691
BILLINGS VO TECH	684,658.00	766,231	830,394	784,575
BUTTE VO TECH	648,652.00	661,238	816,166	783,037
GREAT FALLS VO TECH	590,209.00	734,449	791,689	745,392
HELENA VO TECH	1,266,938.00	1,191,338	1,283,372	1,251,319
MISSOULA VO TECH	1,284,420.00	1,203,438	1,093,948	1,043,194
CRIME CONTROL DIVISION	412,304.13	424,367	440,666	427,785
DEPARTMENT OF JUSTICE	8,991,610.33	9,059,920	8,786,233	8,380,222
PUBLIC SERVICE REGULATION	1,498,921.02	1,604,859	1,640,419	1,654,024
BOARD OF PUBLIC EDUCATION	97,747.67	97,982	184,772	177,821
COMMISSIONER OF HIGHER ED	88,471,614.73	86,993,611	94,563,700	92,047,274
SCHOOL FOR THE DEAF & BLIND	2,397,843.63	1,922,975	3,541,045	1,989,379
MONTANA ARTS COUNCIL	130,881.00	113,586	177,575	167,185
LIBRARY COMMISSION	527,181.40	551,136	650,721	600,428
HISTORICAL SOCIETY	979,875.34	1,014,978	1,092,025	1,112,500
BOARD OF REGENTS	24,438.82	26,090	25,138	25,320
FIRE SERVICES TRAINING SCHOOL	218,897.38	216,677	285,802	273,729
DEPT OF FISH, WILDLIFE & PARKS	624,729.30	659,430	624,730	624,730
DEPT HEALTH & ENVIRON SCIENCES	3,490,653.25	3,537,879	3,761,154	3,685,258
DEPARTMENT OF STATE LANDS	5,791,139.09	5,405,024	7,338,817	7,234,818
DEPARTMENT OF LIVESTOCK	593,533.15	622,190	664,101	663,014
DEPT OF NAT RESOURCES & CONSER	4,318,630.64	3,488,353	5,938,603	5,706,439
DEPARTMENT OF REVENUE	18,031,397.75	18,303,100	19,940,521	18,942,802
DEPARTMENT OF ADMINISTRATION	15,870,319.01	16,563,541	16,088,860	16,091,659
DEPARTMENT OF AGRICULTURE	1,514,199.14	1,589,378	1,723,172	1,600,182
DEPARTMENT OF INSTITUTIONS	9,953,831.86	10,885,486	10,728,321	10,797,256
BOULDER RIVR SCHOOL & HOSPITAL	10,376,220.52	10,828,345	10,793,362	10,132,470
CENTER FOR THE AGED	2,415,499.29	2,523,258	2,578,448	2,566,871
EASTMONT TRAINING CENTER	1,934,654.21	2,059,415	2,101,036	2,206,233
MOUNTAIN VIEW SCHOOL	1,423,515.53	1,579,923	1,604,553	1,599,386
PINE HILLS SCHOOL	2,510,091.13	2,677,685	2,708,047	2,692,663
MONTANA STATE PRISON	9,029,992.48	9,396,378	10,799,467	11,741,354
SWAN RIVER YOUTH FOREST CAMP	787,553.53	821,875	829,938	806,271
VETERANS HOME	556,408.77	535,560	543,761	548,171
MONTANA STATE HOSPITAL	17,876,122.74	17,838,961	17,805,503	17,826,036
BOARD OF PARDONS	147,852.35	148,248	163,642	161,863
MONTANA YOUTH TREATMENT CENTER	0.00	1,813,983	2,521,199	2,514,906
DEPARTMENT OF COMMERCE	9,479,584.05	6,410,263	7,560,364	7,504,615
LABOR AND INDUSTRY	986,624.64	1,013,719	1,062,768	1,072,008
LABOR & IND-EMPLOYMENT SERVS	312,012.41	300,001	375,000	375,000
LABOR & IND-WORKERS' COMP	783,743.61	725,308	716,179	681,194

BUDGET SUMMARY BY FUND

General Fund	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
ADJUTANT GENERAL	1,276,266.27	1,340,653	1,159,965	1,183,523
DISASTER & EMERGENCY SERV DIV	216,000.96	222,525	229,152	227,975
BOARD OF VETERAN'S AFFAIRS	457,337.89	468,663	468,264	465,477
DEPT SOCIAL & REHAB SERVICES	67,428,179.00	67,857,117	75,984,588	84,007,005
PAY PLAN IMPLEMENTATION	0.00	7,916,899	5,800,000	11,600,000
SUPPLEMENTAL REQUESTS	0.00	6,000,000	0	0
ESTIMATED REVERSIONS	0.00	28,702,000-[7]	6,500,000-	6,500,000-
LEGISLATIVE FEED BILL	0.00	4,000,000	0	4,000,000
RESERVE FOR CONTINUING APPROPS	0.00	30,459,495	0	0
ADJUSTMENTS	0.00	1,739,905-	0	0
CLASS ENHANCEMENT & COMP. WORTH	0.00	0	2,000,000	0
RESERVE FOR ELECTED OFFICIALS	0.00	0	1,000,000	1,000,000
RESERVE FOR PAY PLAN CARRY FORWARD	0.00	2,600,000	0	0
Total Deductions[1]	$357,387,045.98	$375,923,622	$391,404,523	$401,809,045
LICENSES & PERMITS	20,857,074.23	23,158,013	23,698,727	25,337,477
TAXES	199,040,855.00	223,106,500	222,561,500	233,751,500
SERVICE FEES	1,471,900.12	1,634,440	1,188,250	1,245,750
INVESTMENT EARNINGS	42,846,604.06	52,531,388	53,954,050	59,440,050
FINES	677,068.32	675,240	676,300	676,300
REIMBURSEMENTS	10,544,102.42	13,314,592	16,041,557	16,652,388
SALE DOCUMENTS,MERCH,&PROPERTY	43,444.29	49,747	46,497	50,747
RENTALS,LEASES, & ROYALTIES	270,304.76	230,241	245,741	250,041
MISCELLANEOUS	801,347.07	1,859,739	2,210,378	2,799,747
GRANTS,GIFTS,BEQUESTS,DONATION	62.16	100	0	0
INCOME COLLECTIONS & TRANSFERS	53,752,735.32	49,411,000	51,958,000	54,747,000
Total Additions[2]	$330,305,497.75	$365,971,000	$372,581,000	$394,951,000
Beginning Fund Balance[3]	$63,193,349.00	$38,934,000	$28,981,378	$15,650,855
Adjustment[4]	$2,822,199.23	$0	$0	$0
Cigarette Tax Proposal[5]	$0	$0	$5,493,000	$7,355,000
Ending Fund Balance[6]	$38,934,000.00	$28,981,378	$15,650,855	$16,147,810

NOTES :

(1) FY 84 DEDUCTIONS INCLUDE TRANSFERS, EXPENDITURES AND THE AMOUNT NEEDED TO PAY OUTSTANDING VALID OBLIGATIONS OF FY 84.

(2) FY 84 ADDITIONS INCLUDE ALL CASH, TRANSFERS AND ACCRUALS OTHER THAN INTEREST.

(3) THIS IS THE FUND BALANCE AS REPORTED IN FY 83 ANNUAL FINANCIAL REPORT.

(4) FY 84 ADJUSTMENT INCLUDES VARIOUS ADJUSTMENTS REQUIRED TO PRESENT THE FUND BALANCE IN A MANNER CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

(5) FOR EXPLANATION SEE PAGE 39.

(6) THIS IS THE AUDITED FUND BALANCE AS OF JUNE 30, 1984 PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

(7) $22.7 MILLION OF THE ANTICIPATED FY 85 REVERSION IS FROM THE SCHOOL FOUNDATION PROGRAM. THIS REVERSION IS DUE TO MORE MONEY BEING RECEIVED FROM OTHER SOURCES THAN ANTICIPATED BY THE LEGISLATURE.

BUDGET SUMMARY BY FUND

State Special Revenue Fund	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
LEGISLATIVE AUDITOR	797,169.27	830,526	883,318	922,732
LEGISLATIVE COUNCIL	534,930.20	179,000	981,000	0
CONSUMER COUNSEL	636,813.00	704,256	862,848	885,248
JUDICIARY	247,414.50	628,912	566,559	582,112
SECRETARY OF STATES OFFICE	173,086.12	212,925	159,487	157,732
COMMISSIONER OF POLITICAL PRAC	175.34	750	1,000	1,000
STATE AUDITORS OFFICE	5,547,864.54	228,404	7,471,517	7,865,517
OFFICE OF PUBLIC INSTRUCTION	157,271,128.49	912,262	144,470,393	150,484,994
BILLINGS VO TECH	663,742.93	717,040	752,636	778,983
BUTTE VO TECH	335,714.00	383,375	401,520	415,528
GREAT FALLS VO TECH	567,648.00	565,993	610,563	637,404
HELENA VO TECH	549,143.00	671,189	703,993	716,769
MISSOULA VO TECH	626,792.75	733,253	774,260	807,372
HIGHWAY TRAFFIC SAFETY	68,319.21	70,283	70,500	70,500
DEPARTMENT OF JUSTICE	9,317,170.59	9,027,301	10,282,641	10,280,272
COMMISSIONER OF HIGHER ED	14,820,455.00	16,082,015	16,760,642	17,485,373
MONTANA ARTS COUNCIL	224,205.11	0	349,286	347,726
LIBRARY COMMISSION	414,019.04	559,944	518,000	484,000
HISTORICAL SOCIETY	38,125.31	0	0	0
DEPT OF FISH, WILDLIFE & PARKS	15,028,813.30	14,579,615	16,798,697	16,180,659
DEPT HEALTH & ENVIRON SCIENCES	1,291,327.39	1,650,346	1,999,200	2,093,724
DEPARTMENT OF HIGHWAYS	117,481,464.58	122,929,757	193,887,091	170,529,481
DEPARTMENT OF STATE LANDS	2,742,540.04	3,269,511	3,505,565	3,471,824
DEPARTMENT OF LIVESTOCK	3,258,094.69	3,447,579	3,520,603	3,533,490
DEPT OF NAT RESOURCES & CONSER	7,623,767.91	9,342,345	7,975,909	5,872,170
DEPARTMENT OF REVENUE	6,801,375.58	7,735,961	8,480,637	8,949,456
DEPARTMENT OF ADMINISTRATION	1,596,747.99	1,655,058	1,981,923	1,793,182
LONG RANGE BUILDING PLAN	1,085,868.57	0	0	0
DEPARTMENT OF AGRICULTURE	467,604.48	674,763	569,784	548,976
DEPARTMENT OF INSTITUTIONS	1,927,978.69	311,343	2,068,793	2,173,657
BOULDER RIVR SCHOOL & HOSPITAL	7,547.92	12,400	33,844	20,324
CENTER FOR THE AGED	6,510.47	11,503	7,186	7,456
EASTMONT TRAINING CENTER	0.00	0	3,120	3,120
PINE HILLS SCHOOL	24,962.00	24,962	27,466	27,466
MONTANA STATE PRISON	689,683.96	1,023,300	800,502	887,253
SWAN RIVER YOUTH FOREST CAMP	39,673.55	50,475	52,238	52,738
MONTANA STATE HOSPITAL	1,634,833.27	1,704,281	1,705,424	1,705,424
DEPARTMENT OF COMMERCE	26,269,003.29	15,338,381	26,956,517	24,891,578
LABOR AND INDUSTRY	2,800.00	2,800	3,250	3,250
LABOR & IND-WORKERS' COMP	5,761,559.16	6,076,756	6,700,870	6,774,933
DEPT SOCIAL & REHAB SERVICES	6,148,036.15	663,629	6,728,192	6,712,452
Total Deductions	$392,724,109.39	$223,012,193	$470,426,974	$449,155,875
LICENSES & PERMITS	30,286,136.02	30,042,914	31,853,690	32,128,813
TAXES	222,334,082.07	234,705,541	238,255,012	250,104,483
SERVICE FEES	7,616,413.39	10,415,126	12,172,077	12,165,661
INVESTMENT EARNINGS	46,421,879.78	55,204,480	57,451,857	57,644,357
FINES	948,665.46	954,500	1,014,800	1,050,000
REIMBURSEMENTS	19,253,155.34	21,745,479	21,494,768	22,023,002
SALE DOCUMENTS,MERCH,&PROPERTY	1,911,496.81	1,256,842	2,420,761	1,468,270
RENTALS,LEASES, & ROYALTIES	187,775.75	23,141,784	21,753,498	22,604,498

BUDGET SUMMARY BY FUND

State Special Revenue Fund	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
FIDUCIARY & TRUST	270,575.29	733,534	613,575	640,766
MISCELLANEOUS	1,296,684.46	1,313,904	2,091,328	1,960,349
GRANTS,GIFTS,BEQUESTS,DONATION	581,749.77	701,546	980,764	957,244
INCOME COLLECTIONS & TRANSFERS	72,488,404.79	28,176,963	64,730,727	64,936,948
FEDERAL ASSISTANCE	23,917,879.75	0	0	0
Total Additions	$427,514,898.68	$408,392,613	$454,832,857	$467,684,391
Beginning Fund Balance	$160,664,560.91	$194,767,852	$374,324,086	$358,729,969
Subtract Adjustments	$687,497.99	$5,824,186	$0	$0
Ending Fund Balance	$194,767,852.21	$374,324,086	$358,729,969	$377,258,485

Federal & Other Spec Rev Fund	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
GOVERNORS OFFICE	318,294.60	412,000	441,713	463,491
STATE AUDITORS OFFICE	4,505,490.31	0	4,536,000	4,536,000
OFFICE OF PUBLIC INSTRUCTION	2,269,496.12	2,486,843	2,408,997	2,406,386
BILLINGS VO TECH	167,369.00	163,000	162,652	162,652
BUTTE VO TECH	261,190.00	263,075	241,361	241,361
GREAT FALLS VO TECH	247,754.00	236,910	211,718	211,718
HELENA VO TECH	281,228.00	273,672	218,260	218,260
MISSOULA VO TECH	221,116.00	242,000	188,208	188,208
CRIME CONTROL DIVISION	82,462.28	85,640	82,500	82,500
HIGHWAY TRAFFIC SAFETY	796,231.97	1,373,903	1,472,939	1,462,112
DEPARTMENT OF JUSTICE	347,245.86	208,803	245,238	245,888
PUBLIC SERVICE REGULATION	99,453.10	36,974	46,628	50,919
COMMISSIONER OF HIGHER ED	876,532.60	1,557,899	1,621,444	1,668,469
SCHOOL FOR THE DEAF & BLIND	434,333.86	389,296	492,492	486,500
MONTANA ARTS COUNCIL	400,568.06	391,583	512,032	504,912
LIBRARY COMMISSION	507,649.13	362,560	910,143	775,757
ADVISORY COUNCIL FOR VOC ED	95,139.92	95,231	106,210	103,145
HISTORICAL SOCIETY	253,425.85	216,086	391,993	391,654
FIRE SERVICES TRAINING SCHOOL	494.50	0	0	0
DEPT OF FISH, WILDLIFE & PARKS	5,637,064.41	4,539,898	7,066,167	6,946,754
DEPT HEALTH & ENVIRON SCIENCES	15,224,806.55	13,090,044	17,610,053	18,205,859
DEPARTMENT OF HIGHWAYS	108,018,070.92	130,426,754	128,463,613	115,701,264
DEPARTMENT OF STATE LANDS	6,696,951.20	8,590,023	9,506,668	9,943,693
DEPARTMENT OF LIVESTOCK	518,394.42	519,500	588,000	588,000
DEPT OF NAT RESOURCES & CONSER	1,448,513.22	1,530,723	3,195,244	1,181,523
DEPARTMENT OF REVENUE	1,093,799.55	1,147,228	1,357,054	1,345,116
LONG RANGE BUILDING PLAN	83,920.62	0	0	0
DEPARTMENT OF AGRICULTURE	1,494,692.14	1,050,603	1,686,112	1,680,484
DEPARTMENT OF INSTITUTIONS	2,604,812.99	2,048,001	2,596,048	2,465,991
BOULDER RIVR SCHOOL & HOSPITAL	52,566.19	17,172	50,674	42,853
EASTMONT TRAINING CENTER	24,333.82	4,984	0	0
MOUNTAIN VIEW SCHOOL	110,681.79	29,256	58,020	58,029
PINE HILLS SCHOOL	499,250.09	349,564	454,384	454,565
MONTANA STATE PRISON	99,871.86	39,869	44,130	44,130
SWAN RIVER YOUTH FOREST CAMP	32,441.31	28,766	37,452	39,489
VETERANS HOME	974,875.79	1,266,116	1,307,951	1,309,211
MONTANA STATE HOSPITAL	53,929.19	17,897	5,103	5,103
MONTANA YOUTH TREATMENT CENTER	0.00	38,011	38,011	38,011
DEPARTMENT OF COMMERCE	9,026,587.84	18,904,799	29,021,350	32,123,716
LABOR AND INDUSTRY	541,443.91	333,052	532,440	528,651
LABOR & IND-EMPLOYMENT SERVS	26,334,522.66	33,053,513	26,739,997	27,148,499
LABOR & IND-WORKERS' COMP	68,533.09	96,535	72,118	71,837
ADJUTANT GENERAL	1,050,954.16	1,142,244	1,264,280	1,272,300
DISASTER & EMERGENCY SERV DIV	1,270,380.22	447,867	2,527,948	2,585,437
DEPT SOCIAL & REHAB SERVICES	127,017,128.57	129,631,183	154,150,023	161,797,469
Total Deductions	$322,144,001.67	$357,139,077	$402,663,368	$399,777,916
LICENSES & PERMITS	26,793.41	47,137	35,908	43,791
TAXES	2,492,735.35	2,434,000	2,755,579	2,743,170
SERVICE FEES	224,632.14	350,892	830,666	845,930
INVESTMENT EARNINGS	673,217.62	738,928	751,402	790,477

BUDGET SUMMARY BY FUND

Federal & Other Spec Rev Fund	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
REIMBURSEMENTS	10,463,921.05	12,376,162	10,027,773	10,372,706
SALE DOCUMENTS,MERCH,&PROPERTY	217,831.15	236,383	155,400	147,400
RENTALS,LEASES, & ROYALTIES	170,682.49	181,300	169,964	169,964
MISCELLANEOUS	720,622.72	275,458	363,578	303,342
GRANTS,GIFTS,BEQUESTS,DONATION	1,565,713.17	2,870,986	4,220,042	2,331,597
INCOME COLLECTIONS & TRANSFERS	837,337.52	0	62,000	0
FEDERAL ASSISTANCE	303,504,212.89	354,147,655	418,943,801	425,615,024
Total Additions	$320,897,699.51	$373,658,901	$438,316,113	$443,363,401
Beginning Fund Balance	$4,169,275.57-	$1,896,044	$35,019,797	$70,672,542
Subtract Adjustments	$7,311,621.93-	$16,603,929-	$0	$0
Ending Fund Balance	$1,896,044.20	$35,019,797	$70,672,542	$114,258,027

Proprietary Fund	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
DEPARTMENT OF JUSTICE	382,308.04	365,482	396,827	393,522
HISTORICAL SOCIETY	276,843.44	258,450	356,993	370,375
DEPT OF FISH, WILDLIFE & PARKS	1,485,893.02	1,796,219	2,239,188	2,291,618
DEPARTMENT OF HIGHWAYS	12,967,859.18	14,143,301	14,770,497	15,022,417
DEPARTMENT OF STATE LANDS	102,554.72	90,060	157,820	189,020
DEPARTMENT OF REVENUE	52,493,963.95	55,923,071	57,210,711	57,710,385
DEPARTMENT OF ADMINISTRATION	35,808,203.48	19,782,922	27,981,366	29,109,350
DEPARTMENT OF AGRICULTURE	80,389.25	143,009	209,667	209,727
DEPARTMENT OF INSTITUTIONS	33,552.00	33,632	0	0
MONTANA STATE PRISON	2,134,459.77	2,149,580	2,323,828	2,283,173
DEPARTMENT OF COMMERCE	2,211,271.97	2,930,171	3,662,747	3,707,267
LABOR AND INDUSTRY	0.00	3,500	3,500	3,500
Total Deductions	$107,977,298.82	$97,619,397	$109,313,144	$111,290,354
TAXES	10,514,719.88	10,527,000	11,594,000	12,240,000
SERVICE FEES	35,066,199.81	39,166,460	49,292,413	52,069,541
INVESTMENT EARNINGS	2,986,045.72	2,193,137	1,871,129	1,867,201
REIMBURSEMENTS	14,682,502.13	17,442,235	18,844,890	19,504,768
SALE DOCUMENTS,MERCH,&PROPERTY	45,853,596.86	46,962,771	54,890,628	58,757,832
RENTALS,LEASES, & ROYALTIES	110,980.01	111,000	111,000	111,000
MISCELLANEOUS	266,794.79	30,837	73,559	96,275
GRANTS,GIFTS,BEQUESTS,DONATION	80,602.00	74,660	0	0
INCOME COLLECTIONS & TRANSFERS	3,834,316.38	1,527,056	786,474	770,742
Total Additions	$113,395,757.58	$118,035,156	$137,464,093	$145,417,359
Beginning Fund Balance	$55,049,399.88	$61,438,627	$81,901,164	$110,052,113
Subtract Adjustments	$970,769.00-	$46,778-	$0	$0
Ending Fund Balance	$61,438,627.64	$81,901,164	$110,052,113	$144,179,118

COMPARISON OF FULL-TIME EQUIVALENT (FTE) POSITIONS BY AGENCY

For the Four Fiscal Years Ending June 30, 1987

Agency	Actual FY 84	Approved FY 85	Recommended FY 86	Recommended FY 87
Administration	439.92	443.67	458.42	463.17
Agriculture	97.77	95.74	91.24	91.24
Arts Council	4.00	4.00	8.50	8.50
Auditor, State	59.00	59.00	59.00	59.00
Commerce	233.63	232.83	250.33	251.33
Deaf and Blind School	85.36	85.36	88.28	88.28
Fire Services Training	6.00	6.00	7.00	7.00
Fish, Wildlife and Parks	511.29	460.47	495.85	496.73
Governor's Office	58.02	57.50	59.08	59.08
Health and Environ Sc	229.15	224.18	240.25	240.25
Highways	1,930.36	1,971.85	2,005.50	1,985.75
Historical Society	48.57	44.00	51.00	51.00
Institutions	2,187.95	2,242.01	2,270.38	2,240.68
Justice	546.60	544.85	544.85	544.85
Labor and Industry	780.40	773.40	785.90	785.90
Lands	260.35	266.43	306.33	317.86
Legislative Agencies	136.07	148.00	134.00	149.00
Library Commission	25.50	25.50	25.50	25.50
Livestock	122.61	122.61	122.61	122.61
Military Affairs	80.75	80.00	92.00	92.00
Nat Resources and Conser	266.90	253.79	257.79	256.79
Political Practices, Com	5.00	5.00	5.00	5.00
Public Education, Bd of	2.00	2.00	5.00	5.00
Public Service Reg	46.84	49.00	49.00	49.00
Revenue	1,013.93	1,011.55	1,029.05	997.05
Secretary of State	30.00	30.00	29.50	29.50
Social and Rehab Serv	1,043.12	1,039.62	1,110.12	1,161.12
Supt of Public Instr	136.10	136.10	134.10	134.10
Supreme Court	85.00	90.50	91.00	91.00
University System	3,558.17	3,608.06	3,706.77	3,710.83
Vo Ed., Advisory Council	2.00	2.00	2.00	2.00
Vo-Tech Centers	263.73	263.16	267.17	267.17
TOTALS	14,296.09	14,378.18	14,782.52	14,788.29

Notes

Actual FY 1984 includes both current level FTE positions and positions added via the budget amendment process.

Approved FY 1985 reflects current level FTE only per the FY 1985 agency operational plans.

Recommended FY 1986 and FY 1987 includes current and modified level FTE positions.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	65.00	65.00	65.00	65.00
Personal Services	1,529,726.21	1,983,111	1,799,582	1,799,582
Operating Expenses	322,579.40	535,691	445,088	440,445
Equipment	30,318.67	4,500	9,592	18,550
Total Agency Costs	$1,882,624.28	$2,523,302	$2,254,262	$2,258,577
General Fund	1,085,455.01	1,692,776	1,370,944	1,335,845
State Special Revenue Fund	797,169.27	830,526	883,318	922,732
Total Funding Costs	$1,882,624.28	$2,523,302	$2,254,262	$2,258,577
Current Level Services	1,882,624.28	2,523,302	2,254,262	2,258,577
Total Service Costs	$1,882,624.28	$2,523,302	$2,254,262	$2,258,577

Agency Description

The Office of the Legislative Auditor was established in 1967 and is governed by Title 5, chapter 13, MCA. The office staff is responsible for auditing the financial affairs and transactions of all state agencies and for assisting the Legislature by gathering and analyzing information pertinent to the fiscal affairs of state government. In addition, the staff conduct efficiency, effectiveness and, when legislatively mandated, sunset audits.

The office works under the general supervision of the bipartisan Legislative Audit Committee. The members are evenly divided between the Senate and House of Representatives.

Budget Issues

$125,000 per year is proposed to be line itemed for the statewide audit.

Per 17-7-122(2), MCA this budget is presented as submitted by the agency.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	15.00	15.50	15.00	15.50
Personal Services	407,645.94	471,281	522,888	523,386
Operating Expenses	101,213.06	141,219	144,268	192,432
Equipment	37,289.55	2,750	12,750	2,750
Total Agency Costs	$546,148.55	$615,250	$679,906	$718,568
General Fund	546,148.55	615,250	679,906	718,568
Total Funding Costs	$546,148.55	$615,250	$679,906	$718,568
Current Level Services	546,148.55	615,250	668,863	717,457
Modified Level Services	0.00	0	11,043	1,111
Total Service Costs	$546,148.55	$615,250	$679,906	$718,568

Agency Description

The Legislative Finance Committee and the Office of the Legislative Fiscal Analyst were created and are governed by Title 5, chapter 12, MCA. The office staff are responsible for estimating revenue, analyzing the Executive Budget, assisting the Legislature in the development of the state appropriation bills and assisting individual legislators in compiling and analyzing financial information. In addition, the staff of the Fiscal Analyst monitor agency operations throughout the biennium and review executive agency actions that have a fiscal impact upon the state.

Budget Issues

Per 17-7-122(2), MCA this budget is presented as submitted by the agency.

Modification Requests

This request would allow the purchase of one personal computer and related maintenance costs.

Cost: FY 1986 - $ 11,043 FY 1987 - $ 1,111

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	45.57	57.00	43.50	58.00
Personal Services	1,045,565.65	1,431,680	1,310,901	1,631,975
Operating Expenses	1,039,433.88	860,266	1,758,640	688,452
Equipment	93,369.60	13,538	35,776	38,193
Total Agency Costs	$2,178,369.13	$2,305,484	$3,105,317	$2,358,620
General Fund	1,643,438.93	2,126,484	2,124,317	2,358,620
State Special Revenue Fund	534,930.20	179,000	981,000	0
Total Funding Costs	$2,178,369.13	$2,305,484	$3,105,317	$2,358,620
Current Level Services	2,178,369.13	2,305,484	3,105,317	2,358,620
Total Service Costs	$2,178,369.13	$2,305,484	$3,105,317	$2,358,620

Agency Description

The Legislative Council was established and is governed by Title 5, chapters 5 and 11, MCA. The eight-member Council supervises staff who: provide research, bill drafting and legal services to the Legislature and its interim committees; engross, enroll, print and distribute all bills; prepare House and Senate Journals and Session Laws for publication; and codify and index Montana statutes.

Budget Issues

Per 17-7-122(2) MCA, this budget is presented as submitted by the agency.

LEGISLATIVE COUNCIL FEED BILL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.07	.00	.00	.00
Personal Services	1,548.78	0	0	0
Operating Expenses	95,253.49	0	0	0
Total Program Costs	$96,802.27	$0	$0	$0
General Fund	96,802.27	0	0	0
Total Funding Costs	$96,802.27	$0	$0	$0
Current Level Services	96,802.27	0	0	0
Total Service Costs	$96,802.27	$0	$0	$0

Program Description

The Legislative Council Feed Bill Program provides service support to the Legislature including the printing and distribution of legislative publications and bills, operation of the business office, provision of legislative telephones, and the operation of the public information office.

Budget Issues

The Legislature will set the budget for the operational costs of the session via a bill submitted through the House and the Senate. This program's budget will be set by the same bill.

INTERIM STUDIES & CONFERENCES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	2.00	2.00	2.00
Personal Services	47,691.31	0	0	0
Operating Expenses	143,018.84	83,673	371,563	75,206
Equipment	206.40	0	0	0
Total Program Costs	$190,916.55	$83,673	$371,563	$75,206
General Fund	183,346.51	83,673	359,563	75,206
State Special Revenue Fund	7,570.04	0	12,000	0
Total Funding Costs	$190,916.55	$83,673	$371,563	$75,206
Current Level Services	190,916.55	83,673	371,563	75,206
Total Service Costs	$190,916.55	$83,673	$371,563	$75,206

Program Description

The Interim Studies and Conferences Program exists to process and monitor the expenditures of the various legislative interim committees and conferences.

Budget Issues

Per 17-7-122(2), MCA this budget is presented as submitted by the agency.

MONTANA CODE ANNOTATED BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	516,534.46	179,000	969,000	0
Equipment	10,825.70	0	0	0
Total Program Costs	$527,360.16	$179,000	$969,000	$0
State Special Revenue Fund	527,360.16	179,000	969,000	0
Total Funding Costs	$527,360.16	$179,000	$969,000	$0
Current Level Services	527,360.16	179,000	969,000	0
Total Service Costs	$527,360.16	$179,000	$969,000	$0

Program Description

The Montana Codes Annoted Program supports the publication and distribution of the Montana Codes Annotated.

Budget Issues

Per 17-7-122(2), MCA this budget is presented as submitted by the agency.

The agency is requesting a biennial appropriation for this program.

LEGISLATIVE COUNCIL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	43.50	55.00	41.50	56.00
Personal Services	996,325.56	1,431,680	1,310,901	1,631,975
Operating Expenses	284,627.09	597,593	418,077	613,246
Equipment	82,337.50	13,538	35,776	38,193
Total Program Costs	$1,363,290.15	$2,042,811	$1,764,754	$2,283,414
General Fund	1,363,290.15	2,042,811	1,764,754	2,283,414
Total Funding Costs	$1,363,290.15	$2,042,811	$1,764,754	$2,283,414
Current Level Services	1,363,290.15	2,042,811	1,764,754	2,283,414
Total Service Costs	$1,363,290.15	$2,042,811	$1,764,754	$2,283,414

Program Description

The Legislative Council Program provides for overall policy direction of the agency through the Legislative Council and general management through the office of the Executive Director. The program provides staffing for standing committees during the session and for interim study committees between sessions. Program staff provide research and legal service support for legislators and legislative committees. Program staff draft bills for legislators and legislative committees. The program supports the computerized production of bills, daily journals, bill status reports, and publications indexes, and the engrossing and enrolling of bills. Program staff also provide services related to the publishing and indexing of the Montana Code Annotated. The program provides accounting, payroll, and purchasing services to the Legislative Council and the Legislature and internal central service support function.

Budget Issues

Per 17-7-122(2), MCA this budget is presented as submitted by the agency.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Personal Services	104,851.89	0	0	0
Operating Expenses	19,445.40	0	0	0
Total Agency Costs	$124,297.29	$0	$0	$0
General Fund	124,297.29	0	0	0
Total Funding Costs	$124,297.29	$0	$0	$0
Current Level Services	124,297.29	0	0	0
Total Service Costs	$124,297.29	$0	$0	$0

Agency Description

Article V of the Montana Constitution of 1972 vests legislative power in a Legislature comprised of a Senate and a House of Representatives. The size of the Legislature is provided by law: the Senate has no more than fifty and no fewer than forty members. Members are elected from single member districts for four-year terms. The Legislature is a continuous body that meets at least once each odd-numbered year in regular session of not more than ninety legislative days. It may be convened in special session by the Governor or upon written request of a majority of the members.

Budget Issues

The Executive Budget contains a $4,000,000 reserve to fund legislative operations in FY85.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Personal Services	199,332.07	0	0	0
Operating Expenses	22,427.43	0	0	0
Total Agency Costs	$221,759.50	$0	$0	$0
General Fund	221,759.50	0	0	0
Total Funding Costs	$221,759.50	$0	$0	$0
Current Level Services	221,759.50	0	0	0
Total Service Costs	$221,759.50	$0	$0	$0

Agency Description

Article V of the Montana Constitution of 1972 vests legislative power in a Legislature comprised of a Senate and a House of Representatives. The size of the Legislature is provided by law: the House has not more than one hundred and no fewer than eighty members. Members of the House are elected from single member districts for two-year terms. The Legislature is a continuous body that meets at least once each odd-numbered year in regular session of no more than ninety legislative days. It may be convened in special session by the Governor or upon written request of a majority of the members.

Budget Issues

The Executive Budget contains a $4,000,000 reserve to fund legislative operations in FY85.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	6.25	6.25	6.25	6.25
Personal Services	140,466.27	164,062	168,297	168,297
Operating Expenses	62,553.10	69,179	76,149	76,371
Equipment	11,775.62	0	0	0
Total Agency Costs	$214,794.99	$233,241	$244,446	$244,668
General Fund	214,794.99	233,241	244,446	244,668
Total Funding Costs	$214,794.99	$233,241	$244,446	$244,668
Current Level Services	214,794.99	233,241	244,446	244,668
Total Service Costs	$214,794.99	$233,241	$244,446	$244,668

Agency Description

The Environmental Quality Council was established by the Extraordinary Session of the 42nd Legislature in 1971 to implement provisions of the Montana Environmental Policy Act (MEPA - Title 75, chapter 1, MCA). The council functions as an arm of the Legislature, with the role of anticipating and analyzing the causes of environmental problems and recommending solutions to those problems. The council also insures that state environmental policy is consistently observed by all state agencies that are concerned with environmental matters. The Legislature assigns interim studies relating to natural resources and economic development to the council. The council also assists the Legislature by staffing natural resource committees during the legislative sessions.

Budget Issues

Per 17-7-122(2), MCA this budget is presented as submitted by the agency.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	4.25	4.25	4.25	4.25
Personal Services	151,845.92	174,006	178,354	192,224
Operating Expenses	481,948.08	529,350	664,494	692,024
Equipment	3,019.00	900	20,000	1,000
Total Agency Costs	$636,813.00	$704,256	$862,848	$885,248
State Special Revenue Fund	636,813.00	704,256	862,848	885,248
Total Funding Costs	$636,813.00	$704,256	$862,848	$885,248
Current Level Services	636,813.00	704,256	862,848	885,248
Total Service Costs	$636,813.00	$704,256	$862,848	$885,248

Agency Description

The Office of the Consumer Counsel was created by Article XIII, Section 2 of the Montana Constitution of 1972. The office is governed by Title 5, chapter 15, MCA and by Title 69, chapters 1 and 2, MCA. The Consumer Counsel is charged with the "duty of representing consumer interest in hearings before the Public Service Commission or any other successor agency." The Consumer Counsel also may initiate, intervene in, or otherwise participate in appropriate proceedings in the state and federal courts and in administrative agencies on behalf of the public of Montana.

The office is not funded with general fund monies, but rather through a Consumer Counsel Tax on all regulated entities under the Public Service Commission's jurisdiction (gas, electric, telephone, waste and sewer utilities; motor carriers and railroads). Title 69 provides for both a base appropriation and a contingency appropriation for expenses resulting from an unanticipated caseload.

Budget Issues

Per 17-7-122(2), MCA this budget is presented as submitted by the agency.

The proposed budgets for FY86 and FY87 reflect a contingency appropriation of $100,000 for contracted services.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	85.00	90.50	91.00	91.00
Personal Services	3,035,706.90	3,290,754	3,530,279	3,540,661
Operating Expenses	685,826.78	997,059	948,879	951,968
Equipment	262,814.22	240,289	246,543	222,547
Grants	96,855.00	98,933	97,542	100,885
Total Agency Costs	$4,081,202.90	$4,627,035	$4,823,243	$4,816,061
General Fund	3,833,788.40	3,998,123	4,256,684	4,233,949
State Special Revenue Fund	247,414.50	628,912	566,559	582,112
Total Funding Costs	$4,081,202.90	$4,627,035	$4,823,243	$4,816,061
Current Level Services	4,081,202.90	4,627,035	4,823,243	4,816,061
Total Service Costs	$4,081,202.90	$4,627,035	$4,823,243	$4,816,061

Agency Description

The Judicial branch of state government is provided for in Article III, Section I and Article VII of the 1972 Montana Constitution. In Section II of Article VII, the jurisdiction of the Supreme Court is defined. That jurisdiction consists of all appellate jurisdiction and original jurisdiction in petitions for writs of habeus corpus and other such writs, general supervisory control over all courts, and rule making powers for Montana's courts.

SUPREME COURT OPERATIONS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	32.00	32.00	32.00	32.00
Personal Services	960,341.25	922,849	973,900	975,931
Operating Expenses	274,515.46	349,960	334,822	320,376
Equipment	44,562.99	0	28,659	5,163
Grants	96,855.00	98,933	97,542	100,885
Total Program Costs	$1,376,274.70	$1,371,742	$1,434,923	$1,402,355
General Fund	1,376,274.70	1,371,742	1,434,923	1,402,355
Total Funding Costs	$1,376,274.70	$1,371,742	$1,434,923	$1,402,355
Current Level Services	1,376,274.70	1,371,742	1,434,923	1,402,355
Total Service Costs	$1,376,274.70	$1,371,742	$1,434,923	$1,402,355

Program Description

The Supreme Court Operations Program supports the operations of the Supreme Court itself and includes staff and the Clerk of the Supreme Court.

Budget Issues

Operating expenses increase for the printing of the Montana Reports. The Reports were not printed in FY84 but are budgeted in the FY86-87 budget. The costs for the Reports are $40,000 per year.

Modification Requests

Workload Increase
A staff attorney is requested to review routine matters filed with the court, review proposed opinions for consistency with previous court decisions, and provide legal support for the Boards and Commissions Program.

Three legal secretaries are requested to provide faster turnaround on opinions and provide clerical duties currently being done by the Justices and law clerks.

Cost: FY 1986 - $136,774 FY 1987 - $102,160

Funding - 100% General Fund

Microfilming of the Supreme Court's records. This project was started over six years ago and was 50% completed. This request will complete the project.

Cost: FY 1986 - $ 71,500 FY 1987 - $ 71,500

Funding - 100% General Fund

These modifications are to be considered part of the elected officials pool.

BOARDS AND COMMISSIONS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	3.00	3.00	3.00	3.00
Personal Services	80,867.83	66,518	78,432	78,465
Operating Expenses	109,458.90	124,883	123,219	123,415
Total Program Costs	$190,326.73	$191,401	$201,651	$201,880
General Fund	190,326.73	191,401	201,651	201,880
Total Funding Costs	$190,326.73	$191,401	$201,651	$201,880
Current Level Services	190,326.73	191,401	201,651	201,880
Total Service Costs	$190,326.73	$191,401	$201,651	$201,880

Program Description

The Boards and Commissions Program staff provide support and supervision of the various boards and commissions appointed or established by the Supreme Court. These boards and commissions perform a variety of services to support jurisprudence within the state, including sentence review, court rule revision, training of court personnel, giving and evaluating bar exams, investigation of complaints against members of the bench and bar, and recommendations for judicial appointments.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

LAW LIBRARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.50	6.50	6.50	6.50
Personal Services	123,374.95	149,168	156,759	156,824
Operating Expenses	122,082.19	153,171	119,746	121,175
Equipment	201,684.03	210,000	199,884	199,884
Total Program Costs	$447,141.17	$512,339	$476,389	$477,883
General Fund	438,765.39	482,631	466,889	468,383
State Special Revenue Fund	8,375.78	29,708	9,500	9,500
Total Funding Costs	$447,141.17	$512,339	$476,389	$477,883
Current Level Services	447,141.17	512,339	476,389	477,883
Total Service Costs	$447,141.17	$512,339	$476,389	$477,883

Program Description

The Law Library program staff are responsible for the operation of the State Law Library. The library is maintained for use by the members of the bar, legislators, state officers and employees, and the general public.

Budget Issues

The Law Librarian was hired just prior to the submission of budgets to the Office of Budget and Program Planning. The proposed budget does not reflect all of the Law Librarian's input, so minor changes may be expected during the Legislative session.

DISTRICT COURT OPERATIONS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	32.00	34.00	36.00	36.00
Personal Services	1,704,525.04	1,801,713	1,994,304	2,002,404
Operating Expenses	123,896.54	150,636	158,917	158,927
Total Program Costs	$1,828,421.58	$1,952,349	$2,153,221	$2,161,331
General Fund	1,828,421.58	1,952,349	2,153,221	2,161,331
Total Funding Costs	$1,828,421.58	$1,952,349	$2,153,221	$2,161,331
Current Level Services	1,828,421.58	1,952,349	2,153,221	2,161,331
Total Service Costs	$1,828,421.58	$1,952,349	$2,153,221	$2,161,331

Program Description

The District Court Operations pays the salaries and travel expenses for the 36 district court judges as provided by legislative appropriations.

Budget Issues

The proposed budget reflects the addition of the four new District Court Judges added in the last Legislature.

WATER COURTS SUPERVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	11.50	15.00	13.50	13.50
Personal Services	166,597.83	350,506	326,884	327,037
Operating Expenses	55,873.69	218,409	212,175	228,075
Equipment	16,567.20	30,289	18,000	17,500
Total Program Costs	$239,038.72	$599,204	$557,059	$572,612
State Special Revenue Fund	239,038.72	599,204	557,059	572,612
Total Funding Costs	$239,038.72	$599,204	$557,059	$572,612
Current Level Services	239,038.72	599,204	557,059	572,612
Total Service Costs	$239,038.72	$599,204	$557,059	$572,612

Program Description

The Water Courts Supervision Program staff are responsible for the adjudication of claims of existing water rights in Montana and supervision of the distribution of water among the four water divisions.

Budget Issues

In FY84 the expenditures for the adjudication process were less than anticipated. In fiscal years 85-86-87 the expenditures should increase due to the number of cases settled by the court.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	58.02	57.50	59.08	59.08
Personal Services	1,604,303.18	1,710,191	1,841,896	1,851,694
Operating Expenses	800,046.69	809,193	959,181	983,406
Equipment	36,448.46	4,295	4,450	4,200
Total Agency Costs	$2,440,798.33	$2,523,679	$2,805,527	$2,839,300
General Fund	2,122,503.73	2,111,679	2,363,814	2,375,809
Federal & Other Spec Rev Fund	318,294.60	412,000	441,713	463,491
Total Funding Costs	$2,440,798.33	$2,523,679	$2,805,527	$2,839,300
Current Level Services	2,437,209.24	2,523,679	2,805,527	2,839,300
Modified Level Services	3,589.09	0	0	0
Total Service Costs	$2,440,798.33	$2,523,679	$2,805,527	$2,839,300

Agency Description

The Office of the Governor was created upon acceptance of Montana into the United States in 1889 and exists under authority contained in Article VI of the Montana Constitution. The office oversees and directs the activities of the executive branch agencies.

Policy Issues

Modification Requests

The Governor believes that Elected Officials should be allowed to present their modification requests directly to the legislature, since they - as Elected Officials - have the best knowledge of their priorities for new services.

Therefore, the budget recommendations for Elected Officials' programs do not include funds for modification requests. Rather, each modification is described and its cost and source of funding detailed. The Executive Budget includes a reserve to fund those Elected Officials' modification requests approved by the legislature.

EXECUTIVE OFFICE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	20.65	20.50	20.68	20.68
Personal Services	618,731.63	621,506	652,043	656,045
Operating Expenses	394,724.51	290,228	478,465	427,548
Equipment	18,600.90	1,515	0	0
Total Program Costs	$1,032,057.04	$913,249	$1,130,508	$1,083,593
General Fund	1,023,079.36	913,249	1,130,508	1,083,593
Federal & Other Spec Rev Fund	8,977.68	0	0	0
Total Funding Costs	$1,032,057.04	$913,249	$1,130,508	$1,083,593
Current Level Services	1,028,467.95	913,249	1,130,508	1,083,593
Modified Level Services	3,589.09	0	0	0
Total Service Costs	$1,032,057.04	$913,249	$1,130,508	$1,083,593

Program Description

The Executive Office program provides support to the Governor in overseeing and coordinating the activities of the executive branch of Montana State government. The program provides administrative, legal, press, and centralized services support for the offices of the Governor, as well as executive administration of programs of special impact on the citizens and governmental concerns of Montana. Special programs directed through staff efforts in this program include coordination of services for senior citizens, promotion of uniformity in state laws through the Commission on Uniform State Laws, and funding of the defense of the Montana Coal Severance Tax.

Budget Issues

One FTE, accounting technician, was eliminated from this program in FY85. The duties of the position were transferred to the Department of Administration.

The Aging Coordinator and the Council on Aging are transferred in the 1987 biennium from the Department of Social & Rehabilitation Services as specified in Section 2-15-231, MCA. One FTE and approximately $39,200 each year is included for this function.

A biennial appropriation of $40,794 is requested to fund the Flathead Basin Commission as established by the 1983 Legislature.

The Coal Tax Advocacy Budget is included in this program. Approximately $125,000 each year of the biennium and .18 FTE are requested to maintain a current level of operation.

EXECUTIVE OFFICE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	20.65	20.50	20.68	20.68

Modification Requests

The budget figures shown above do not include the modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

New Services
Clark Fork River Basin Coordinating Project. Montana has initiated a three to four-year project to establish a comprehensive water data base for the Clark Fork River Basin. The principal objective of the project is to provide administrative continuity to past, current, and planned water-related studies within the Basin and to identify where additional information is most urgently needed. Three FTE will be added to the Governor's Office to staff the project, a project coordinator and two research assistants. Federal funds.

Cost: FY 1986 - $267,772 FY 1987 - $267,773

New Services
Federal-State Coordinator. One FTE is requested to provide staff support to Montana's Federal-State Coordinator in Washington, D.C. General fund.

Cost: FY 1986 - $ 25,027 FY 1987 - $ 25,037

New Services
Client Assistance Program. Montana has received a $50,000 per year allocation from the U.S. Department of Education to establish and maintain a program to assist handicapped individuals receiving or seeking services under the federal Rehabilitation Act of 1973. The program is required by the Rehabilitation Amendments of 1984, P.L. 98-221, Revised Section 112. Federal funds.

Cost: FY 1986 - $ 50,000 FY 1987 - $ 50,000

MANSION MAINTENANCE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.25	2.25	2.15	2.15
Personal Services	34,303.59	43,229	38,850	38,866
Operating Expenses	17,888.92	22,131	20,055	20,176
Equipment	1,160.00	250	450	0
Total Program Costs	$53,352.51	$65,610	$59,355	$59,042
General Fund	53,352.51	65,610	59,355	59,042
Total Funding Costs	$53,352.51	$65,610	$59,355	$59,042
Current Level Services	53,352.51	65,610	59,355	59,042
Total Service Costs	$53,352.51	$65,610	$59,355	$59,042

Program Description

The staff of the Mansion Maintenance Program maintains the Governor's official residence.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

A .10 FTE food service worker was reduced from the FY 86-87 budget.

AIR TRANSPORTATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	1.00	1.00	1.00	1.00
Personal Services	29,283.73	28,300	30,208	30,221
Operating Expenses	72,575.48	56,260	65,076	78,278
Total Program Costs	$101,859.21	$84,560	$95,284	$108,499
General Fund	101,859.21	84,560	95,284	108,499
Total Funding Costs	$101,859.21	$84,560	$95,284	$108,499
Current Level Services	101,859.21	84,560	95,284	108,499
Total Service Costs	$101,859.21	$84,560	$95,284	$108,499

Program Description

The Air Transportation Program provides transportation for the Governor and his staff.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

OFFICE OF BDGET & PGM PLANNING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	18.25	18.25	18.25	18.25
Personal Services	520,229.70	552,924	575,715	580,420
Operating Expenses	89,353.12	140,742	91,889	128,888
Equipment	11,056.56	2,530	0	0
Total Program Costs	$620,639.38	$696,196	$667,604	$709,308
General Fund	620,639.38	696,196	667,604	709,308
Total Funding Costs	$620,639.38	$696,196	$667,604	$709,308
Current Level Services	620,639.38	696,196	667,604	709,308
Total Service Costs	$620,639.38	$696,196	$667,604	$709,308

Program Description

The staff of the Office of Budget and Program Planning (OBPP) assist the Governor in the planning, preparation, and administration of the state budget, the development and evaluation of alternative program plans for the provision of state government services, and the examination and improvement of methods of providing services to state citizens. OBPP reviews the total organizational structure of the executive branch, makes recommendations on the transfer of functions between departments or the elimination of unnecessary functions, and formulates and monitors policies in areas of management concerns. Additional functions include: preparation and monitoring of revenue estimates; approving all FTE position additions, deletions and transfers by state agencies; verifying and documenting the accuracy of position actions; and maintaining reconciliation reporting of FTE's per legislative intent. The accuracy of the automated Payroll/Personnel/Position Control system maintained by the Personnel Division of the Department of Administration is also monitored.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

NORTHWEST REGIONAL POWER ACT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.37	7.00	7.00	7.00
Personal Services	168,918.80	226,981	245,352	245,855
Operating Expenses	139,549.12	185,019	192,361	213,436
Equipment	849.00	0	4,000	4,200
Total Program Costs	$309,316.92	$412,000	$441,713	$463,491
Federal & Other Spec Rev Fund	309,316.92	412,000	441,713	463,491
Total Funding Costs	$309,316.92	$412,000	$441,713	$463,491
Current Level Services	309,316.92	412,000	441,713	463,491
Total Service Costs	$309,316.92	$412,000	$441,713	$463,491

Program Description

The Pacific Northwest Electric Power and Conservation Planning Council was created in accordance with Public Law 96-501, passed by the U.S. Congress on December 5, 1980. The Power Planning Council is made up of two members from each of the states of Montana, Washington, Idaho, and Oregon. It is charged with the development of a twenty-year electric energy plan that will provide an efficient and adequate electric power supply for consumers in the Pacific Northwest and will encourage conservation and development of natural resources. This plan will also provide for enhancement of fish populations. House Bill 641 of the 47th Montana State Legislature in 1981 enabled Montana to participate in the Regional Power Planning Council by providing for the appointment by the Governor of two Montana members.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

LT. GOVERNOR BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.00	6.00	6.00	6.00
Personal Services	162,400.63	170,426	184,033	184,542
Operating Expenses	41,887.60	46,557	54,101	54,890
Equipment	4,646.00	0	0	0
Total Program Costs	$208,934.23	$216,983	$238,134	$239,432
General Fund	208,934.23	216,983	238,134	239,432
Total Funding Costs	$208,934.23	$216,983	$238,134	$239,432
Current Level Services	208,934.23	216,983	238,134	239,432
Total Service Costs	$208,934.23	$216,983	$238,134	$239,432

Program Description

As provided in Article VI, Section 4, of the Montana Constitution, the Lieutenant Governor shall perform the duties provided by law and those delegated to him by the Governor. The Office of the Lieutenant Governor serves as the liaison between state and local governments (56 counties and 127 municipalities). Current priorities include infrastructure issues and the local voter review process. The Office also handles coordination of the coal severance tax defense, supervision of Intergovernmental Review Clearinghouse operations, pre-planning for Statehood Centennial activities and occasional special projects.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

CITIZENS ADVOCATE OFFICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	1.00	1.00	1.00	1.00
Personal Services	31,937.02	29,595	30,776	30,790
Operating Expenses	14,009.51	30,677	16,910	19,622
Total Program Costs	$45,946.53	$60,272	$47,686	$50,412
General Fund	45,946.53	60,272	47,686	50,412
Total Funding Costs	$45,946.53	$60,272	$47,686	$50,412
Current Level Services	45,946.53	60,272	47,686	50,412
Total Service Costs	$45,946.53	$60,272	$47,686	$50,412

Program Description

The Citizen's Advocate Office gives Montana's citizens ready access to their state government. The public contacts the Citizens' Advocate Office by toll-free telephone to obtain information, make suggestions, air complaints, and ask for assistance with problems regarding state government.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

MENTAL DIS BD VISITORS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	1.50	1.50	3.00	3.00
Personal Services	38,498.08	37,230	84,919	84,955
Operating Expenses	30,058.43	37,579	40,324	40,568
Equipment	136.00	0	0	0
Total Program Costs	$68,692.51	$74,809	$125,243	$125,523
General Fund	68,692.51	74,809	125,243	125,523
Total Funding Costs	$68,692.51	$74,809	$125,243	$125,523
Current Level Services	68,692.51	74,809	125,243	125,523
Total Service Costs	$68,692.51	$74,809	$125,243	$125,523

Program Description

The Mental Disabilities Board of Visitors, established by Section 2-15-211, MCA, protects the right of the mentally ill and the developmentally disabled by reviewing the care and treatment provided by those community mental health centers and state institutions which serve this population. The Board also provides legal services for the residents at those institutions. The Board performs its duties pursuant to Title 53, Chapters 20 and 21, Part 1, MCA.

Budget Issues

At the request of the Department of Institutions, the Legal Services Program is being transferred from Institutions to the Board of Visitors. This transfer complies with Section 53-21-104 (6) MCA 1983, which requires the Board of Visitors to employ full-time legal counsel at the state institutions. This function includes 1.50 FTE and approximately $44,600 each year.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	30.00	30.00	29.50	29.50
Personal Services	570,177.89	619,515	622,582	623,193
Operating Expenses	417,495.59	465,807	372,503	400,937
Equipment	16,801.97	0	6,363	0
Transfers	70,220.00	0	51,600	51,600
Total Agency Costs	$1,074,695.45	$1,085,322	$1,053,048	$1,075,730
General Fund	901,609.33	872,397	893,561	917,998
State Special Revenue Fund	173,086.12	212,925	159,487	157,732
Total Funding Costs	$1,074,695.45	$1,085,322	$1,053,048	$1,075,730
Current Level Services	1,074,695.45	1,085,322	1,053,048	1,075,730
Total Service Costs	$1,074,695.45	$1,085,322	$1,053,048	$1,075,730

Agency Description

The Office of the Secretary of State, established by Article VI, Section 1 of the Montana Constitution, maintains official records of the executive branch and the acts of the Legislature, keeps the great seal of the state of Montana, and performs other duties provided by law.

Policy Issue

Modification Requests

The Governor believes that Elected Officials should be allowed to present their modification requests directly to the legislature, since they - as Elected Officials - have the best knowledge of their priorities for new services.

Therefore, the budget recommendations for Elected Officials programs do not include funds for modification requests. Rather, each modification is described and its cost and source of funding detailed. The Executive Budget includes a reserve to fund those Elected Officials modification requests approved by the legislature.

RECORDS MANAGEMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	26.50	26.50	26.00	26.00
Personal Services	479,632.30	530,520	540,114	540,666
Operating Expenses	345,935.31	281,927	295,484	325,732
Equipment	14,463.77	0	6,363	0
Total Program Costs	$840,031.38	$812,447	$841,961	$866,398
General Fund	831,389.33	801,447	841,961	866,398
State Special Revenue Fund	8,642.05	11,000	0	0
Total Funding Costs	$840,031.38	$812,447	$841,961	$866,398
Current Level Services	840,031.38	812,447	841,961	866,398
Total Service Costs	$840,031.38	$812,447	$841,961	$866,398

Program Description

The Records Management Program staff are responsible for filing, maintaining, and preserving records of the state and certain public interest records of the private sector -- such as corporate charter documents, trade names, assumed business names, and financial statements under the Uniform Commercial Code.

Budget Issues

The FTE count reflects a vacant position, half-time clerk, being eliminated in the 1987 biennium.

Modification Requests

The budget figures shown above do not include the modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

New Services

Micrographics. Funding is requested to contract with the Department of Administration to microfilm corporate and Uniform Commercial Code Documents. Two FTE are requested to prepare the records for microfilming. Required by statute to maintain and access these records, the Records Management Program has great difficulty storing the ever increasing number of documents. Microfilming would also provide security against loss due to theft, fire, etc. and would allow preservation of historical documents. General fund.

Cost: FY 1986 - $199,255 FY 1987 - $115,970

RECORDS MANAGEMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	26.50	26.50	26.00	26.00

New Services

UCC On-Line Access. Funding is requested to modify the existing Uniform Commercial Code automated system to allow direct on-line access by financial institutes. General fund.

Cost: FY 1986 - $ 10,000

ADMINISTRATIVE CODE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	3.50	3.50	3.50	3.50
Personal Services	90,545.59	88,995	82,468	82,527
Operating Expenses	71,560.28	183,880	77,019	75,205
Equipment	2,338.20	0	0	0
Transfers	70,220.00	0	51,600	51,600
Total Program Costs	$234,664.07	$272,875	$211,087	$209,332
General Fund	70,220.00	70,950	51,600	51,600
State Special Revenue Fund	164,444.07	201,925	159,487	157,732
Total Funding Costs	$234,664.07	$272,875	$211,087	$209,332
Current Level Services	234,664.07	272,875	211,087	209,332
Total Service Costs	$234,664.07	$272,875	$211,087	$209,332

Program Description

The Administrative Code Program staff execute the duties required of the Office of the Secretary of State under the Montana Administrative Procedures Act. These duties include filing, indexing, organizing for publication, and distributing the administrative rules adopted by state agencies in the Administrative Rules of Montana (ARM) and the Montana Administrative Register (MAR).

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	5.00	5.00	5.00	5.00
Personal Services	124,867.06	122,872	125,333	125,488
Operating Expenses	15,919.66	18,153	22,603	16,730
Equipment	195.00	0	195	0
Total Agency Costs	$140,981.72	$141,025	$148,131	$142,218
General Fund	140,806.38	140,275	147,131	141,218
State Special Revenue Fund	175.34	750	1,000	1,000
Total Funding Costs	$140,981.72	$141,025	$148,131	$142,218
Current Level Services	140,981.72	141,025	148,131	142,218
Total Service Costs	$140,981.72	$141,025	$148,131	$142,218

Agency Description

The Office of the Commissioner of Political Practices was created by the 44th Legislature in 1975 for the purpose of monitoring disclosures of financial contributions to and expenditures of Montana political committees and candidates. The office exists under the authority contained in Title 13, chapter 37, MCA. The responsibilities of the office were expanded in 1980 by Initiative 85, to include the registration of lobbyists, their principals' financial reports, and the disclosure of elected officials' business and ownership interests. The Office of the Commissioner of Political Practices is attached to the Office of the Secretary of State for administrative purposes only.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	59.00	59.00	59.00	59.00
Personal Services	1,255,451.12	1,274,507	1,310,007	1,311,608
Operating Expenses	932,126.06	1,010,287	950,204	922,258
Equipment	11,270.59	2,119	11,634	1,450
Local Assistance	5,022,808.75	0	5,270,366	5,316,424
Transfers	4,797,218.66	0	6,437,151	6,785,093
Total Agency Costs	$12,018,875.18	$2,286,913	$13,979,362	$14,336,833
General Fund	1,965,520.33	2,058,509	1,971,845	1,935,316
State Special Revenue Fund	5,547,864.54	228,404	7,471,517	7,865,517
Federal & Other Spec Rev Fund	4,505,490.31	0	4,536,000	4,536,000
Total Funding Costs	$12,018,875.18	$2,286,913	$13,979,362	$14,336,833
Current Level Services	12,018,875.18	2,286,913	13,979,362	14,336,833
Total Service Costs	$12,018,875.18	$2,286,913	$13,979,362	$14,336,833

Agency Description

The Office of the State Auditor, established by Article VI, Section 1 of the Montana Constitution, has statutory duties to superintend the fiscal concerns of the state, suggest plans for improvement and management of public revenues, keep an accounting system of all state funds, and pay into the state treasury all funds and fees received.

The auditor has been responsible for examining the legality of all obligations or claims incurred by state government and issuing warrants for their payment.

The state auditor, as ex-officio commissioner of insurance, is empowered with duties to license and regulate insurance companies and agents in Montana.

As ex-officio securities commissioner, the auditor and staff regulate and register issuers, broker-dealers, and investment advisors and license the sellers of securities.

The state auditor is director of the state central payroll system. This division is responsible for paying all state employees. Effective July 1, 1983, the entire responsibility for the Payroll/Position Control/ and Personnel (P/P/P) System resides with this office.

The office is also responsible for distributing police and firemen's retirement funds to local governments.

MANAGEMENT & CONTROL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	11.00	11.00	11.00	11.00
Personal Services	201,501.20	197,205	202,184	202,366
Operating Expenses	144,911.98	171,767	154,604	152,249
Total Program Costs	$346,413.18	$368,972	$356,788	$354,615
General Fund	346,413.18	368,972	356,788	354,615
Total Funding Costs	$346,413.18	$368,972	$356,788	$354,615
Current Level Services	346,413.18	368,972	356,788	354,615
Total Service Costs	$346,413.18	$368,972	$356,788	$354,615

Program Description

The Management and Control Program staff provide direct mailing of State of Montana warrants, replacement of lost or damaged warrants, final storage of cashed warrants, and deposit and issue receipts for all fees collected by the Insurance and Securities divisions.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

CENTRAL PAYROLL DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.00	9.00	9.00	9.00
Personal Services	196,177.10	194,881	201,794	202,278
Operating Expenses	590,473.84	570,517	568,227	554,717
Equipment	3,889.89	0	450	450
Total Program Costs	$790,540.83	$765,398	$770,471	$757,445
General Fund	557,213.39	536,994	470,471	457,445
State Special Revenue Fund	233,327.44	228,404	300,000	300,000
Total Funding Costs	$790,540.83	$765,398	$770,471	$757,445
Current Level Services	790,540.83	765,398	770,471	757,445
Total Service Costs	$790,540.83	$765,398	$770,471	$757,445

Program Description

The Central Payroll Program operates a central payroll system for state employees. All payroll warrants for state employees are prepared and issued by this program.

Effective July 1, 1983, the entire responsibility and budget for the Payroll/Position Control and Personnel (P/P/P) System resides in the State Auditor's Office.

Budget Issues

The 1985 biennium budget authorized funds for enhancements to the P/P/P system. The enhancements should be completed in FY85. The 1987 biennium budget includes sufficient funding to maintain the on-going operating costs of the enhanced system, allows funding for two contract programmers and for special projects which occur as a normal part of Central Payroll's operation.

ADMINISTRATIVE SUPPORT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.00	8.00	8.00	8.00
Personal Services	192,954.85	186,509	192,306	192,432
Operating Expenses	32,073.19	42,713	46,943	31,274
Equipment	3,875.00	1,156	8,520	0
Total Program Costs	$228,903.04	$230,378	$247,769	$223,706
General Fund	228,903.04	230,378	247,769	223,706
Total Funding Costs	$228,903.04	$230,378	$247,769	$223,706
Current Level Services	228,903.04	230,378	247,769	223,706
Total Service Costs	$228,903.04	$230,378	$247,769	$223,706

Program Description

The Administrative Support Program staff provide administrative functions for the State Auditor's Office.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

Audit costs of $16,800 for the State Auditor's Office are included in FY86.

INSUR REG & LIC PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	22.00	22.00	22.00	22.00
Personal Services	472,625.13	487,317	499,764	500,212
Operating Expenses	129,439.68	176,887	139,068	142,852
Equipment	2,007.00	963	2,664	1,000
Total Program Costs	$604,071.81	$665,167	$641,496	$644,064
General Fund	604,071.81	665,167	641,496	644,064
Total Funding Costs	$604,071.81	$665,167	$641,496	$644,064
Current Level Services	604,071.81	665,167	641,496	644,064
Total Service Costs	$604,071.81	$665,167	$641,496	$644,064

Program Description

The staff of the Insurance Regulation and Licensing Program protect the insurance-buying public by:

requiring that each insurer transacting business in Montana be authorized by a subsisting certificate of authority;

examining the affairs, transactions, accounts, and assets of each authorized insurer to determine whether it is financially solvent;

regulating insurers' and agents' trade practices and prohibiting unfair competition and unfair or deceptive practices;

requiring all agents and solicitors to pass a written examination and be licensed before doing business in the state;

regulating insurance rates to insure that they are not excessive, inadequate, or unfairly discriminatory;

examining and approving before use all forms used by insurers;

collecting all insurance and license fees established by state law; and

allocating money collected from the insurance premium tax to the appropriate funds, as provided by law.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

INVEST REG & LIC PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	9.00	9.00	9.00	9.00
Personal Services	192,192.84	208,595	213,959	214,320
Operating Expenses	35,227.37	48,403	41,362	41,166
Equipment	1,498.70	0	0	0
Total Program Costs	$228,918.91	$256,998	$255,321	$255,486
General Fund	228,918.91	256,998	255,321	255,486
Total Funding Costs	$228,918.91	$256,998	$255,321	$255,486
Current Level Services	228,918.91	256,998	255,321	255,486
Total Service Costs	$228,918.91	$256,998	$255,321	$255,486

Program Description

The staff of the Securities Division are responsible for the administration of the Securities Act of Montana, which protects investors against nefarious and unsubstantial securities schemes.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

LOCAL ASSISTANCE DISTRIBUTIONS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Local Assistance	517,318.44	0	734,366	780,424
Transfers	3,907,701.35	0	5,547,634	5,895,576
Total Program Costs	$4,425,019.79	$0	$6,282,000	$6,676,000
State Special Revenue Fund	4,425,019.79	0	6,282,000	6,676,000
Total Funding Costs	$4,425,019.79	$0	$6,282,000	$6,676,000
Current Level Services	4,425,019.79	0	6,282,000	6,676,000
Total Service Costs	$4,425,019.79	$0	$6,282,000	$6,676,000

Program Description

Pursuant to Sections 19-10-305, 19-9-702, 19-11-512, 19-12-301, and 19-13-604, MCA, payments are made to the Public Employees Retirement Division (PERD) and to fire and police departments of qualifying Montana cities and towns. Funds to make payments are received from the premium tax collected on insurance against risks enumerated in 19-11-512, MCA.

Budget Issues

These funds are appropriated by statute. The funds were not included as an appropriated fund in FY84 and FY85 but are included in FY86 and FY87.

FOREST RES & FPGA TO COUNTIES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Local Assistance	4,505,490.31	0	4,536,000	4,536,000
Total Program Costs	$4,505,490.31	$0	$4,536,000	$4,536,000
Federal & Other Spec Rev Fund	4,505,490.31	0	4,536,000	4,536,000
Total Funding Costs	$4,505,490.31	$0	$4,536,000	$4,536,000
Current Level Services	4,505,490.31	0	4,536,000	4,536,000
Total Service Costs	$4,505,490.31	$0	$4,536,000	$4,536,000

Program Description

Moneys received from National Forests under the provisions of the Act of May 23, 1908, as amended (16 USC 500) are distributed according to a statement furnished by the United States Department of Agriculture, Forest Service, showing county distribution.

Budget Issues

These funds are included as an appropriated fund in FY86 and FY87.

PENSION ADJ RETIRED FIREMEN BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Transfers	889,517.31	0	889,517	889,517
Total Program Costs	$889,517.31	$0	$889,517	$889,517
State Special Revenue Fund	889,517.31	0	889,517	889,517
Total Funding Costs	$889,517.31	$0	$889,517	$889,517
Current Level Services	889,517.31	0	889,517	889,517
Total Service Costs	$889,517.31	$0	$889,517	$889,517

Program Description

The Pension Adjustment - Retired Firemen Program is responsible for the distribution to cities and towns of certain supplemental firemen's retirement system funds under the provisions of 19-11-606, MCA.

Budget Issues

These funds are appropriated by statute. The funds were not included as an appropriated fund in FY84 and FY85 but are included in FY86 and FY87.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	136.10	136.10	134.10	134.10
Personal Services	3,305,189.13	3,468,420	3,566,706	3,573,140
Operating Expenses	1,638,738.91	1,560,709	1,717,404	1,687,990
Equipment	111,971.15	75,465	52,878	53,328
Capital Outlay	9,897.00	0	0	0
Local Assistance	188,637,426.72	34,644,686	179,675,640	186,363,156
Grants	1,350,280.49	0	0	0
Transfers	12,661,759.73	8,991,088	13,901,457	13,538,457
Total Agency Costs	$207,715,263.13	$48,740,368	$198,914,085	$205,216,071
General Fund	48,174,638.52	45,341,263	52,034,695	52,324,691
State Special Revenue Fund	157,271,128.49	912,262	144,470,393	150,484,994
Federal & Other Spec Rev Fund	2,269,496.12	2,486,843	2,408,997	2,406,386
Total Funding Costs	$207,715,263.13	$48,740,368	$198,914,085	$205,216,071
Current Level Services	207,703,575.93	48,740,368	198,914,085	205,216,071
Modified Level Services	11,687.20	0	0	0
Total Service Costs	$207,715,263.13	$48,740,368	$198,914,085	$205,216,071

Agency Description

The Superintendent of Public Instruction is an Elected Official required by Section 1, Article VI, of the Montana Constitution. Section 20-3-106, MCA, states that the Superintendent "...has the general supervision of the public schools and districts of the state." Section 20-7-301, MCA, names the Superintendent as "the governing agent and executive officer" for vocational education in Montana.

The office provides services to Montana's school age children and to teachers in 556 school districts. Its staff provide consultant and technical assistance in planning, implementing and evaluating educational programs in such areas as teacher preparation, teacher certification, school accreditation, school curriculum, school finance and school law. The staff administer a number of federally funded programs and provide a variety of information services.

Budget Issues

The deletion of an accounting technician II from the vocational education program and an administrative assistant I from the administrative services program cause a decrease of 2.00 FTE for this agency.

Modification Requests

The Governor believes that Elected Officials should be allowed to present their modification requests directly to the legislature, since they - as Elected Officials - have the best knowledge of their priorities for new services.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	136.10	136.10	134.10	134.10

Budget recommendations for Elected Officials program do not generally include funds for modification requests. Rather, each modification is described and its cost and source of funding detailed. The Executive Budget includes a reserve to fund those Elected Officials modification requests approved by the legislature, therefore, no modifications request totals appear in any of the tables.

CHIEF STATE SCHOOL OFFICER BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	2.00	3.00	3.00
Personal Services	72,006.81	68,556	87,125	87,160
Operating Expenses	76,664.36	52,459	72,982	62,799
Equipment	0.00	1,465	0	0
Total Program Costs	$148,671.17	$122,480	$160,107	$149,959
General Fund	118,060.32	107,480	129,832	130,064
Federal & Other Spec Rev Fund	30,610.85	15,000	30,275	19,895
Total Funding Costs	$148,671.17	$122,480	$160,107	$149,959
Current Level Services	136,983.97	122,480	160,107	149,959
Modified Level Services	11,687.20	0	0	0
Total Service Costs	$148,671.17	$122,480	$160,107	$149,959

Program Description

The agency's Chief State School Officer Program provides leadership, direction and coordination of services to a variety of school and public groups. The staff provide assistance to the Superintendent of Public Instruction in performing prescribed duties and duties requiring the Superintendent's personal attention or representation. This program's educational services component provides informational, evaluative, planning, data processing and administrative support for basic and vocational programs available in Montana schools at the elementary, secondary and post-secondary levels. Staff members manage state and federal financial resources for schools; assist school staff directly through on-site consultation, research, needs assessments, materials development and in-service education; prepare recommendations for school accreditation; and operate a teacher certification program.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

A secretary II position (1.00 FTE) was moved from the vocational education program to this program.

BASIC SKILLS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	40.00	40.50	36.80	36.80
Personal Services	824,758.72	1,030,713	902,068	904,148
Operating Expenses	247,473.93	238,361	235,921	239,550
Equipment	38,627.77	55,000	30,228	30,228
Capital Outlay	9,897.00	0	0	0
Transfers	21,935.37	44,642	21,935	21,935
Total Program Costs	$1,142,692.79	$1,368,716	$1,190,152	$1,195,861
General Fund	835,593.16	915,274	848,441	853,662
State Special Revenue Fund	211,755.08	257,691	237,000	237,000
Federal & Other Spec Rev Fund	95,344.55	195,751	104,711	105,199
Total Funding Costs	$1,142,692.79	$1,368,716	$1,190,152	$1,195,861
Current Level Services	1,142,692.79	1,368,716	1,190,152	1,195,861
Total Service Costs	$1,142,692.79	$1,368,716	$1,190,152	$1,195,861

Program Description

The Basic Skills Program staff provide services in the areas of curriculum, accreditation, certification, community education, adult education, and other instruction-related areas to parents, teachers, students, administrators, and school boards of local education agencies.

Budget Issues

Transfer of FTE to other programs decrease FTE for the program by 3.70 FTE.

Modification Requests

New Services
The Office of Public Instruction requests general fund in the amount of $200,000 for the biennium to upgrade and redirect the services of the film library which places more emphasis on distribution of video tapes and video recordings as well as satellite replay programming. This request will be presented to the Appropriations Subcommittee.

Funding Change
The Office of Public Instruction requests general fund in the amount of $98,000 for the biennium to replace the reduced federally funded Johnson-O'Malley contracts. This funding will maintain current level of service. This request will be presented to the Appropriations Subcommittee.

New Services
The Office of Public Instruction requests general fund in the amount of $98,000 for the biennium to provide assistance to local districts in adapting the use of computers in various curriculum areas and scheduling. One and a half (1.50) FTE and operating costs are included. This request will be presented to the Appropriations Subcommittee.

BASIC SKILLS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	40.00	40.50	36.80	36.80

Workload Increase
The Office of Public Instruction requests general fund in the amount of $98,000 for the biennium to complete on-site accreditation visits for 20 percent of the 782 schools each year as required by recent action of the State Board of Public Education. Included in the request is an additional one and a half (1.50) FTE and costs for operations and travel. This request will be presented to the Appropriation Subcommittee.

New Services
The Office of Public Instruction requests general fund in the amount of $100,000 for the biennium to cover the start-up costs of teacher testing for certification if present proposed State Board of Public Education policy is approved. This request will be presented to the Appropriations Subcommittee.

Change in Funding
The Office of Public Instruction requests general fund in the amount of $60,000 for the biennium to replace funding currently provided by Vocation Education funds. This funding provides a 0.50 FTE reading specialist for the basic instruction program; therefore, it should be paid from general funds. This request will be presented to the Appropriations Subcommittee.

VOCATIONAL EDUCATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.44	18.25	19.15	19.15
Personal Services	581,652.55	498,654	575,852	576,895
Operating Expenses	124,500.68	128,004	129,520	130,994
Equipment	4,784.08	1,000	4,750	4,750
Transfers	91,635.21	84,346	90,000	90,000
Total Program Costs	$802,572.52	$712,004	$800,122	$802,639
General Fund	354,162.51	329,616	324,811	325,937
Federal & Other Spec Rev Fund	448,410.01	382,388	475,311	476,702
Total Funding Costs	$802,572.52	$712,004	$800,122	$802,639
Current Level Services	802,572.52	712,004	800,122	802,639
Total Service Costs	$802,572.52	$712,004	$800,122	$802,639

Program Description

The Vocational Education Program staff provide supervision, leadership and consultant services for local vocational education programs. The program staff assist students, teachers, counselors, and administrators in elementary, secondary and vocational-technical schools through clinics, workshops, and visitations.

Budget Issues

Deletion of an accounting technician II position from the Vocational Education state funded sub-program reduced current level expenditures by approximately $18,500 per year.

The increased FTE from FY 1985 budgeted amount results from a combination of transfers of FTE from other programs and the deletion of one position. The net effect is an increase of 0.90 FTE for this program.

Modification Requests

Funding Change
The Office of Public Instruction requests general fund in the amount of $406,917 for the biennium to replace federal carry over funds that will not longer be available and replace a decrease in allowable administrative costs for the administration of federal vocational education grants. This request will be presented to the Appropriations Subcommittee.

ADMINISTRATIVE SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	50.55	50.60	49.05	49.05
Personal Services	1,200,560.71	1,211,919	1,254,117	1,256,158
Operating Expenses	523,041.51	601,794	585,861	558,904
Equipment	22,799.98	17,000	10,650	11,100
Transfers	873,855.39	122,654	132,022	133,022
Total Program Costs	$2,620,257.59	$1,953,367	$1,982,650	$1,959,184
General Fund	1,538,280.28	813,330	873,300	843,450
State Special Revenue Fund	468,307.17	505,301	475,138	479,224
Federal & Other Spec Rev Fund	613,670.14	634,736	634,212	636,510
Total Funding Costs	$2,620,257.59	$1,953,367	$1,982,650	$1,959,184
Current Level Services	2,620,257.59	1,953,367	1,982,650	1,959,184
Total Service Costs	$2,620,257.59	$1,953,367	$1,982,650	$1,959,184

Program Description

The Administrative Services Program staff administer the planning, development, implementation, and evaluation of the Office of Public Instruction programs.

Staff also administer and provide consulting service in the areas of equalization aid, transportation, federal impact funding, school food services, budgeting and accounting. They also allocate and distribute the state equalization aid money and pupil transportation reimbursement.

Budget Issues

Deletion of an administrative assistant I position from the state funded Administrative Services sub-program amounted to approximately $21,400 per year reduction in personal services.

Deletion of a position and the transfer of FTE from this program to other programs results in a net decrease of 1.55 FTE from budgeted FY 1985 to FY 1986 and FY 1987.

Modification Requests

New Services
The Office of Public Instruction requests general fund in the amount of $118,000 for the biennium to provide assistance to school districts in converting from their present single entry accounting system to a double entry system that is now required by federal regulations in A-102 Attachment P standards. Included in the request is one and a half (1.50) FTE, travel and operating costs. This request will be presented to the Appropriations Subcommittee.

SPECIAL SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	24.11	24.75	26.10	26.10
Personal Services	626,210.34	658,578	747,544	748,779
Operating Expenses	363,738.07	540,091	377,667	380,290
Equipment	45,759.32	1,000	7,250	7,250
Transfers	174,333.76	201,446	168,500	168,500
Total Program Costs	$1,210,041.49	$1,401,115	$1,300,961	$1,304,819
General Fund	128,580.92	142,147	136,473	136,739
Federal & Other Spec Rev Fund	1,081,460.57	1,258,968	1,164,488	1,168,080
Total Funding Costs	$1,210,041.49	$1,401,115	$1,300,961	$1,304,819
Current Level Services	1,210,041.49	1,401,115	1,300,961	1,304,819
Total Service Costs	$1,210,041.49	$1,401,115	$1,300,961	$1,304,819

Program Description

The function of the Special Services Program is to administer all federal grants except Vocational Education, School Food Services, Veteran's Education and Adult Education. The largest programs are Education for the Handicapped and Chapter I of the Education Consolidation and Improvement Act of 1981, which provide financial assistance to states and local education agencies. Also included in this division are Career Education, Gifted and Talented, National Origins, Bilingual Education, Administration of Chapter 2 of the Education Consolidation and Improvement Act of 1981, Community Education and National Diffusion Network. The division staff provide assistance to local districts in these program areas.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

The FTE increases from budgeted FY 1985 to FY 1986 and FY 1987 are due to transfer of FTE from other programs. The net effect is an increase of 1.35 FTE for this program.

Modification Requests

Funding Change
The Office of Public Instruction requests general fund in the amount of $317,924 for the biennium to replace federal carry over funds for CHAPTER I and CHAPTER II monies. These funds will no longer be available. This request will be presented to the Appropriation Subcommittee.

DISTRI TO PUB SCH PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	303,320.36	0	315,453	315,453
Local Assistance	188,637,426.72	34,644,686	179,675,640	186,363,156
Grants	1,350,280.49	0	0	0
Transfers	11,500,000.00	8,538,000	13,489,000	13,125,000
Total Program Costs	$201,791,027.57	$43,182,686	$193,480,093	$199,803,609
General Fund	45,199,961.33	43,033,416	49,721,838	50,034,839
State Special Revenue Fund	156,591,066.24	149,270	143,758,255	149,768,770
Total Funding Costs	$201,791,027.57	$43,182,686	$193,480,093	$199,803,609
Current Level Services	201,791,027.57	43,182,686	193,480,093	199,803,609
Total Service Costs	$201,791,027.57	$43,182,686	$193,480,093	$199,803,609

Program Description

The Distribution to Public Schools Program is used by the Office of Public Instruction to distribute various funds to local education agencies. The "pass-through" funds contained in this budget include the state's share of public school support, special education, transportation, school lunch, adult basic education, gifted and talented, secondary vocational education, and traffic safety funds.

Budget Issues

The following table shows the amounts contained in the Executive Budget for these programs.

Program	FY 1986	FY 1987
Public School Support	$142,473,000	$148,455,000
Special Education	27,794,622	28,350,514
Special Education Contingency	510,000	510,000
Transportation	6,207,720	6,331,874
School Lunch	707,298	707,298
Adult Basic Education	152,255	155,300
Gifted and Talented	100,000	100,000
Secondary Vocational Education	750,000	750,000
Traffic Safety	1,133,000	1,158,470
Total	$179,827,895	$186,518,456

DISTRI TO PUB SCH PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00

Public School Support

The Executive Budget contains funding to provide schedule increases of 2.40% in FY 1986 and 3.00% in FY 1987. A breakdown of public school support is provided below exclusive of special education.

PUBLIC SCHOOL SUPPORT
(FIGURES IN MILLIONS)

	FY 84	FY 85	FY 86	FY 87
Schedule Increase In Percent	4.00%	3.00%	2.40%	3.00%
Max. GF Budget Without Vote	261.689	270.935	279.367	290.429
% Change		3.53%	3.11%	3.96%
State Revenue				
Income Tax	42.587	45.568	48.229	51.026
Corporation Tax	8.026	19.678	11.702	12.619
Coal Tax	4.141	4.590	9.088*	8.627*
Interest & Income	36.983	40.382	39.815	41.652
US Oil & Gas Royalties	14.949	14.354	13.203	13.716
Education Trust Interest	5.108	6.054	6.947	7.690
Miscellaneous	2.146	5.268		
Total State	113.940	129.894	128.984	135.330
% Change		14.00%	-0.70%	4.92%
0.377				
Statewide Taxable Valuation	2242.079	2330.312	2408.903	2495.795
% Change		3.94%	3.37%	3.61%
County Revenue				
45 Mills	100.894	104.864	108.401	112.311
Elementary Transportation	-3.278	-3.540	-3.823	-4.129
Cash Reappropriated	4.833	3.189	3.189	3.189
Forest Funds	1.086	1.014	1.014	1.014
Taylor Grazing	0.169	0.123	0.123	0.123
Miscellaneous	7.650	8.580	9.355	10.200
High School Tuition	-0.64o	-0.673	-0.701	-0.730
Total County	110.708	113.557	117.558	121.978
% Change		2.57%	3.52%	3.76%
District Revenue				
Permissive Levy	17.024	17.694	18.291	18.951
Light Vehicle Replacement	1.045	1.045	1.045	1.045

DISTRI TO PUB SCH PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Total District	18.069	18.739	19.336	19.996
% Change		3.71%	3.19%	3.41%
Total State, County, District	242.717	262.190	265.878	277.304
% Change		8.02%	1.41%	4.30%
Beginning Fund Balance	12.055	0.207	0.000	0.000
Total Cost Less Total Revenue	18.972	8.745	13.489	13.125
General Fund Required	12.260	8.538	13.489	13.125
General Fund Appropriated	43.500	0.000	0.000	0.000
GF Balance Carry Forward	31.240	0.000	0.000	0.000
Ending Fund Balance	0.207	22.702**	0.000	0.000

* A change is proposed in the distribution of the coal severance tax. Currently, 5 percent of the tax is distributed to the foundation program and 8 3/4 percent is allocated to local impact. The Governor is proposing that these distributions be reversed; 8 3/4 percent to the foundation program, 5 percent to the local impact account.

** Reversion to the General Fund

Special Education

The FY 1985 appropriation for special education is $27,249,629. The amounts of $27,794,622 for FY 1986 and $28,350,514 for FY 1987 contained in the Executive Budget represents a 2% growth factor each year above the FY 1985 appropriation.

Special Education Contingency

The Executive Budget request contains a 2% per year increase of the FY 1985 appropriation for the special education contingency fund. This amounts to an appropriation of $510,000 per fiscal year for the biennium.

The special education contingency fund is necessary for those districts that cannot anticipate a particular type of special education need. An example is court placement of juvenile offenders in specialized programs. The contingency offers a funding alternative in these instances.

Transportation

The Executive Budget provides a 2% per year growth factor to the FY 1985 appropriation for state school transportation reimbursements. This increase allows for the following adjustments to be made to the reimbursement schedules.

Bus

Fiscal 1985 - $.80 per mile plus $.020 per mile for each seat over 45

DISTRI TO PUB SCH PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00

Fiscal 1986 - $.82 per mile plus $.020 per mile for each seat over 45
Fiscal 1987 - $.84 per mile plus $.020 per mile for each seat over 45

Individual

Fiscal 1985 - $.20 per mile
Fiscal 1986 - $.21 per mile
Fiscal 1987 - $.22 per mile

School Lunch

The Office of Public Instruction requested increased matching funds for the National School Lunch and Nutrition Education programs. This increase is necessary due to anticipated increases in usage and present shortfall of matching funds which results in a $6,000 per year loss in available funding. This request of $707,298 per year for the 1987 biennium reflects that need.

Adult Basic Education

HB 105 allocates a portion of coal tax interest to Office of Public Instruction for Adult Basic Education. This budget request contains a 2 per cent per year inflationary adjustment of the FY 1985 appropriated amount. The amounts requested for this program are $152,255 for FY 1986 and $155,300 for FY 1987.

Gifted and Talented

The Executive Budget recommends the same appropriation of $100,000 per year that was provided by the last legislature. This amount has been appropriated the past three bienniums.

Secondary Vocational Education

The Executive Budget contains $750,000 per year for Secondary Vocational Education programs. This amount, which has been appropriated the past three bienniums, is used to supplement funds provided through the foundation program. No inflation adjustments have been made to the previous years appropriated amount.

Traffic Safety

Traffic safety funding is generated from collections of highway fines which are allocated to this program through section 20-7-504, MCA. Because revenue fluctuates, the Legislature placed language in the appropriation bill authorizing blanket authority. The Executive Budget contains estimated amounts of $1,133,000 and $1,158,470 respectively for FY 1986 and FY 1987.

Modification Requests

Funding Change
The Office of Public Instruction requests general fund in the amount of $1,414,596 which allows for increased matching funds for the National School Lunch and Nutrition Education programs. This increase is necessary to cover a present $6,000

DISTRI TO PUB SCH PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00

per year loss in available funding due to a lack of sufficient matching funds. This request will be presented to the Appropriations Subcommittee.

Funding Change

The Office of Public Instruction requests general fund in the amount of $2,625,000 for the biennium to provide increased funding for secondary vocational education. The funding level for this program has not increased since 1979 at which time it was established for $1.5 million for the biennium. This request would add an additional $750,000 in FY 1986 and $375,000 in FY 1987. This request will be presented to the Appropriations Subcommittee.

Funding Change

The Office of Public Instruction requests general fund in the amount of $1,000,000 for the biennium to increase funding for the gifted and talented program. This amount is intended to provide local tax burden relief for districts that are implementing the proposed State Board of Public Education policy. This request will be presented to the Appropriations Subcommittee.

Funding Change

The Office of Public Instruction requests general fund in the amount of $6,500,000 for the biennium for distribution to local districts for special education to relieve them of a portion of the increasing programs costs mandated by the State Board of Public Education policy. The requested increase will provide $3,250,000 year for this purpose. This request will be presented to the Appropriations Subcommittee.

Special Narrative

The 1987 biennium budget requests for the five area Vocational Technical Centers were prepared using the formula developed by the Legislative Finance Committee for use in the 1983 biennium. The formula was applied in determining the budgets for the Instruction program and the Support Program. The incremental budgeting process which applies standard adjustment factors to current level expenditures was used to determine the Plant Operation and Maintenance program budget request.

The instruction cost component of the formula for the centers is determined by a flat rate per student FTE and the estimated enrollment for each center. For the 1987 biennium this rate, which is called the current level option, was calculated to be $1,976 per student FTE for the base year 1984. This rate was derived by inflating the FY 1982 cost figure. The personal services portion of the current level option for FY 1985 is $1,698 per student FTE. The operations portion of the current level option for the instruction program is $278 per student FTE. A student FTE was determined to be 1000 contact hours per year. The variable portion of the equipment budget is included in the instructional budget is $33 per student FTE. Variable equipment are those items which have a unit cost of $1,000 or under.

The support cost component of the formula for funding Vo-Tech centers contains both personal service and operating costs related to administrators, student service, and instruction supervision. Support costs are based upon staff support standards that were endorsed by the Legislative Finance Committee during the 1983 biennium. The personal services portion of the support cost component is estimated from the number of support staff FTE and a system average salary for each type of support position. The estimated system average personal services cost for each position is based upon the base year (1982) costs and inflated to the present biennium year levels. The operating expense for support services is based on the number of support staff FTE and the system average operating expense per support FTE. This is the operating expense rate. The operating expense rate amount used in calculating the FY 1986 and FY 1987 operating budget for support is $5,193 per support staff FTE.

Review of the actual and projected enrollments of all centers indicates that the enrollment projections appear inflated. The projected FY 1984 total for all centers exceeds the FY 1984 actual. Review of the fall quarter enrollments for the past three years indicates that this trend will continue. In view of this data the student enrollment projections for FY 1986 and FY 1987 were scaled back to the FY 1985 projected enrollment in determining center budgets for Instruction. The budget requests for Plant Operation and Maintenance and Support programs were retained as submitted.

The following table compares the FY 1985 budgeted student FTE with FY 1984 actual student enrolled FTE and fall quarter enrollments for fiscal years 1983, 1984 and 1985. Enrollment numbers are rounded to the nearest whole number.

Center	1985 Budgeted	1984 Actual	1983 Fall Qrt.	1984 Fall Qrt.	1985 Fall Qrt.
Billings	521	485	409	401	445
Butte	428	342	313	294	327
Great Falls	502	449	405	422	357
Helena	716	663	721	683	671
Missoula	618	607	569	585	571
TOTAL	2,785	2,546	2,417	2,385	2,371

The budget requests for the five centers were previously presented in the format of one program per center in the Executive budget request. For this biennium the use of the formula in determining each center's budget necessitated the division of each center's single program into four sub-programs which include instruction, plant operation and maintenance, support, and state funds transfers. Because of this changed format the budgeted FY 1985 column on the agency summary page for each center contains no expenditures in the sub-programs except for the instruction program. This program contains the total FY 1985 expenditures for the center.

The state funds transfers program for each center contains its total expenditures and funding. This total shows as a transfer on the agency summary page thereby doubling the total expenditures for the center in the total agency costs figure. Funding for the transfers is contained in the current unrestricted fund in the total funding costs figure thus doubling the funding amount by the same amount that transfers do for expenditures.

Biennium costs for each center can best be compared by disregarding both transfers and current unrestricted fund amounts as shown on the agency summary page.

With minor exceptions the five Vo-Tech centers presently use the CUBA accounting system to account for expenditures. Transfer of appropriated funds made directly to the centers causes double accounting of expenditures. To eliminate this problem the Office of Budget and Program Planning requests that appropriated funds for the five Vo-Tech centers be appropriated to the Office of Public Instruction for distribution to the centers. The Office has in place the distribution to the schools program for this purpose. Transfer of funds in turn would be made from the Office of Public Instruction to the centers' current unrestricted fund for operating expenses.

Capital equipment requests for all Vo-Tech centers are not included in the center budget requests. Capital equipment requests are treated as modified requests.

Vocational Technical Centers

Funding Schedule

Fiscal Year 1986

Center	Student FTE	General Fund	Millage	Tuition Fees	Coal Tax	Federal Funds	Total
Billings	521	$ 830,394	$315,496	$ 286,200	$150,940	$ 162,652	$1,745,682
Butte	428	816,166	76,702	232,200	92,618	241,361	1,459,047
Great Falls	502	791,689	150,007	283,500	177,056	211,718	1,613,970
Helena	716	1,283,372	88,878	378,000	237,115	218,260	2,205,625
Missoula	618	1,093,948	226,717	334,800	212,743	188,208	2,056,416
TOTAL	2,785	$4,815,569	$857,800	$1,514,700	$870,472	$1,022,199	$9,080,740

Fiscal Year 1987

Center	Student FTE	General Fund	Millage	Tuition Fees	Coal Tax	Federal Funds	Total
Billings	521	$ 784,575	$321,332	$ 286,200	$171,451	$ 162,652	$1,726,210
Butte	428	783,037	78,121	232,200	105,207	241,361	1,439,926
Great Falls	502	745,392	152,782	283,500	201,122	211,718	1,594,514
Helena	716	1,251,319	90,522	378,000	248,247	218,260	2,186,348
Missoula	618	1,043,194	230,911	334,800	241,661	188,208	2,038,774
TOTAL	2,785	$4,607,517	$873,668	$1,514,700	$967,688	$1,022,199	$8,985,772
1987 Biennium	5,433	$9,423,086	$1,731,468	$3,029,400	$1,838,160	$2,044,398	$18,066,512

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	50.40	49.59	50.85	50.85
Personal Services	1,287,464.40	1,255,000	1,275,940	1,275,940
Operating Expenses	368,136.39	348,601	452,549	433,077
Equipment	27,858.42	42,670	17,193	17,193
Transfers	1,510,850.93	0	1,745,682	1,726,210
Total Agency Costs	$3,194,310.14	$1,646,271	$3,491,364	$3,452,420
General Fund	684,658.00	766,231	830,394	784,575
State Special Revenue Fund	663,742.93	717,040	752,636	778,983
Federal & Other Spec Rev Fund	167,369.00	163,000	162,652	162,652
Current Unrestricted Fund	1,678,540.21	0	1,745,682	1,726,210
Total Funding Costs	$3,194,310.14	$1,646,271	$3,491,364	$3,452,420
Current Level Services	3,194,310.14	1,646,271	3,491,364	3,452,420
Total Service Costs	$3,194,310.14	$1,646,271	$3,491,364	$3,452,420

Agency Description

The Billings Post-secondary Vocational Technical (Vo-Tech) Center's primary objectives are to prepare students for employment and to provide trained workers for Montana's employers. The Billings Vo-Tech staff provide vocational training in agricultural, business, health, home economics, office, technical, and trade/industries occupations.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	34.90	49.59	32.90	32.90
Personal Services	934,808.75	1,255,000	849,272	849,272
Operating Expenses	139,385.20	348,601	150,634	150,636
Equipment	27,858.42	42,670	17,193	17,193
Total Program Costs	$1,102,052.37	$1,646,271	$1,017,099	$1,017,101
General Fund	4,919.00	766,231	0	0
State Special Revenue Fund	0.00	717,040	0	0
Federal & Other Spec Rev Fund	0.00	163,000	0	0
Current Unrestricted Fund	1,097,133.37	0	1,017,099	1,017,101
Total Funding Costs	$1,102,052.37	$1,646,271	$1,017,099	$1,017,101
Current Level Services	1,102,052.37	1,646,271	1,017,099	1,017,101
Total Service Costs	$1,102,052.37	$1,646,271	$1,017,099	$1,017,101

Program Description

The Instruction Program of the Billings Vocational Technical Center includes all expenditures for personal services, operating expenses, and equipment for all activities that are part of the institution's instruction program which includes academic, occupational, and vocational instruction.

Budget Issues

In the 1983 biennium the legislature implemented "caps" on formula derived totals to provide a minimum and maximum yearly increase from the prior year's appropriation. The "caps" provided that each center receive in fiscal 1984 at least a 3.25 percent increase and no more than a 8.25 percent increase. Application of the "caps" results in this formula derived budget being below current level expenditures and FTE.

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

The Billings Vo-Tech Center requests general fund for capital equipment totaling $100,000. This request will be presented to the Appropriations Subcommittee.

PLANT OPERATION & MAINTENANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.25	.00	3.63	3.63
Personal Services	64,143.59	0	81,600	81,600
Operating Expenses	188,353.51	0	204,577	205,103
Total Program Costs	$252,497.10	$0	$286,177	$286,703
Current Unrestricted Fund	252,497.10	0	286,177	286,703
Total Funding Costs	$252,497.10	$0	$286,177	$286,703
Current Level Services	252,497.10	0	286,177	286,703
Total Service Costs	$252,497.10	$0	$286,177	$286,703

Program Description

The Plant Operations and Maintenance Program of the Billings Vocational Technical Center includes all expenditures of current operating funds for the operation and maintenance of physical plant. It includes all expenditures for operations established to provide services and maintenance related to the grounds facilities, utilities, fire protection, property insurance, and janitorial services.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	11.25	.00	14.32	14.32
Personal Services	288,512.06	0	345,068	345,068
Operating Expenses	40,397.68	0	97,338	77,338
Total Program Costs	$328,909.74	$0	$442,406	$422,406
Current Unrestricted Fund	328,909.74	0	442,406	422,406
Total Funding Costs	$328,909.74	$0	$442,406	$422,406
Current Level Services	328,909.74	0	442,406	422,406
Total Service Costs	$328,909.74	$0	$442,406	$422,406

Program Description

The Support Program of the Billings Vocational Technical Center provides support services for the institution's primary objectives to include library materials, services that directly assist the academic functions, audio-visual services, academic administration and personnel development, and support for course and curriculum development.

Budget Issues

Increased support FTE which drive the formula amounts for this program causes this budget request to exceed current level expenditures.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Because the staffing pattern taken from the Postsecondary Policies and Procedures manual differs from that used to determine formula amounts for the Support Program, Billings Vo-Tech requests an additional $150,581 of general fund that would have been generated using the alternative pattern. This request will be presented to the Appropriation Subcommittee.

STATE FUNDS TRANSFERS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Transfers	1,510,850.93	0	1,745,682	1,726,210
Total Program Costs	$1,510,850.93	$0	$1,745,682	$1,726,210
General Fund	679,739.00	0	830,394	784,575
State Special Revenue Fund	663,742.93	0	752,636	778,983
Federal & Other Spec Rev Fund	167,369.00	0	162,652	162,652
Total Funding Costs	$1,510,850.93	$0	$1,745,682	$1,726,210
Current Level Services	1,510,850.93	0	1,745,682	1,726,210
Total Service Costs	$1,510,850.93	$0	$1,745,682	$1,726,210

Program Description

The Transfers Program of the Billings Vocational Technical Center funds the total request budgets for the Instructional, Support, and Plant Operations and Maintenance Programs for the institution. This is to include all State, Federal, and Earmarked Revenue Funds appropriated.

Budget Issues

Appropriated funds for each program are transferred to an operational pool for disbursement. Figures shown above reflect the operational pool total for all programs.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	37.78	37.67	41.58	41.58
Personal Services	1,141,905.00	1,050,653	1,134,280	1,134,280
Operating Expenses	206,186.40	245,716	300,643	281,522
Equipment	12,109.04	11,319	24,124	24,124
Transfers	1,228,146.00	0	1,459,047	1,439,926
Total Agency Costs	$2,588,346.44	$1,307,688	$2,918,094	$2,879,852
General Fund	648,652.00	661,238	816,166	783,037
State Special Revenue Fund	335,714.00	383,375	401,520	415,528
Federal & Other Spec Rev Fund	261,190.00	263,075	241,361	241,361
Current Unrestricted Fund	1,342,790.44	0	1,459,047	1,439,926
Total Funding Costs	$2,588,346.44	$1,307,688	$2,918,094	$2,879,852
Current Level Services	2,588,346.44	1,307,688	2,918,094	2,879,852
Total Service Costs	$2,588,346.44	$1,307,688	$2,918,094	$2,879,852

Agency Description

The Butte Post-secondary Vocational Technical (Vo-Tech) Center's primary objectives are to prepare students for employment and to provide trained workers for Montana's employers. The Butte Vo-Tech staff provide vocational training in agricultural, business, health, home economics, office, technical, and trade/industries occupations.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	24.43	37.67	24.43	24.43
Personal Services	758,642.85	1,050,653	697,674	697,674
Operating Expenses	124,960.29	245,716	123,829	123,904
Equipment	5,161.66	11,319	14,124	14,124
Total Program Costs	$888,764.80	$1,307,688	$835,627	$835,702
General Fund	17,410.00	661,238	0	0
State Special Revenue Fund	0.00	383,375	0	0
Federal & Other Spec Rev Fund	0.00	263,075	0	0
Current Unrestricted Fund	871,354.80	0	835,627	835,702
Total Funding Costs	$888,764.80	$1,307,688	$835,627	$835,702
Current Level Services	888,764.80	1,307,688	835,627	835,702
Total Service Costs	$888,764.80	$1,307,688	$835,627	$835,702

Program Description

The Instruction Program of the Butte Vocational Technical Center includes all expenditures for personal services, operating expenses, and equipment for all activities that are part of the institution's instructional program which includes academic, occupational, and vocational instruction.

Budget Issues

In the 1983 biennium the legislature implemented "caps" on formula derived totals to provide a minimum and maximum yearly increase from the prior year's appropriation. The "caps" provided that each center receive in fiscal 1984 at least a 3.25 percent increase and no more than a 8.25 percent increase. Application of the "caps" results in this formula derived budget being below current level expenditures and FTE.

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Butte Vo-Tech Center requests general fund for capital equipment totaling $100,000. This request will be presented to the Appropriations Subcommittee.

PLANT OPERATION & MAINTENANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.94	.00	2.76	2.76
Personal Services	60,837.00	0	96,000	96,000
Operating Expenses	38,273.68	0	79,098	79,902
Equipment	6,424.15	0	10,000	10,000
Total Program Costs	$105,534.83	$0	$185,098	$185,902
Current Unrestricted Fund	105,534.83	0	185,098	185,902
Total Funding Costs	$105,534.83	$0	$185,098	$185,902
Current Level Services	105,534.83	0	185,098	185,902
Total Service Costs	$105,534.83	$0	$185,098	$185,902

Program Description

The Plant Operations and Maintenance Program of the Butte Vocational Technical Center includes all expenditures of current operating funds for the operation and maintenance of physical plant. It includes all expenditures for operations established to provide services and maintenance related to the grounds and facilities, utilities, fire protection, property insurance, and janitorial services.

Budget Issues

Increased personal services costs of $35,162 per year, $15,749 per year for natural gas, $21,076 per year for electricity and $3,576 per year for equipment result from the center's move to newly completed facilities. These increased expenditures causes the budget request to exceed current level expenditures.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	10.41	.00	14.39	14.39
Personal Services	322,425.15	0	340,606	340,606
Operating Expenses	42,952.43	0	97,716	77,716
Equipment	523.23	0	0	0
Total Program Costs	$365,900.81	$0	$438,322	$418,322
Current Unrestricted Fund	365,900.81	0	438,322	418,322
Total Funding Costs	$365,900.81	$0	$438,322	$418,322
Current Level Services	365,900.81	0	438,322	418,322
Total Service Costs	$365,900.81	$0	$438,322	$418,322

Program Description

The Support Program of the Butte Vocational Technical Center provides support services for the institution's primary objectives to include library materials, services that directly assist the academic functions, audio-visual services, academic administration and personnel development, and support for course and curriculum development.

Budget Issues

Increased support FTE which drive formula amounts for this program causes this budget request to exceed current level expenditures.

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Because the staffing pattern taken from the Postsecondary Policies and Procedures manual differs from that used to determine formula amounts for the Support Program, Butte Vo-Tech Center requests an additional $125,708 of general fund that would have been generated using the alternative pattern. This request will be presented to the Appropriation Subcommittee.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

STATE FUNDS TRANSFERS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Transfers	1,228,146.00	0	1,459,047	1,439,926
Total Program Costs	$1,228,146.00	$0	$1,459,047	$1,439,926
General Fund	631,242.00	0	816,166	783,037
State Special Revenue Fund	335,714.00	0	401,520	415,528
Federal & Other Spec Rev Fund	261,190.00	0	241,361	241,361
Total Funding Costs	$1,228,146.00	$0	$1,459,047	$1,439,926
Current Level Services	1,228,146.00	0	1,459,047	1,439,926
Total Service Costs	$1,228,146.00	$0	$1,459,047	$1,439,926

Program Description

The Transfers Program of the Butte Vocational Technical Center funds the total request budgets for the Instructional, Support, and Plant Operations and Maintenance Programs for the institution. This is to include all State, Federal, and Earmarked Revenue Funds appropriated.

Budget Issues

Appropriated funds for each program are transferred to an operational pool for disbursement. Figures shown above reflect the operational pool total for all programs.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	47.95	51.27	49.05	49.05
Personal Services	1,213,366.13	1,195,141	1,252,394	1,252,394
Operating Expenses	290,146.47	299,442	340,010	320,554
Equipment	46,719.18	42,769	21,566	21,566
Transfers	1,391,388.00	0	1,613,970	1,594,514
Total Agency Costs	$2,941,619.78	$1,537,352	$3,227,940	$3,189,028
General Fund	590,209.00	734,449	791,689	745,392
State Special Revenue Fund	567,648.00	565,993	610,563	637,404
Federal & Other Spec Rev Fund	247,754.00	236,910	211,718	211,718
Current Unrestricted Fund	1,536,008.78	0	1,613,970	1,594,514
Total Funding Costs	$2,941,619.78	$1,537,352	$3,227,940	$3,189,028
Current Level Services	2,941,619.78	1,537,352	3,227,940	3,189,028
Total Service Costs	$2,941,619.78	$1,537,352	$3,227,940	$3,189,028

Agency Description

The Great Falls Post-secondary Vocational Technical (Vo-Tech) Center's primary objectives are to prepare students for employment and to provide trained workers for Montana's employers. The Great Falls Vo-Tech staff provide vocational training in agricultural, business, health, home economics, office, technical, and trade/industries occupations.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	31.45	51.27	31.00	31.00
Personal Services	813,333.04	1,195,141	818,300	818,300
Operating Expenses	116,727.08	299,442	145,138	145,138
Equipment	44,715.18	42,769	16,566	16,566
Total Program Costs	$974,775.30	$1,537,352	$980,004	$980,004
General Fund	14,223.00	734,449	0	0
State Special Revenue Fund	0.00	565,993	0	0
Federal & Other Spec Rev Fund	0.00	236,910	0	0
Current Unrestricted Fund	960,552.30	0	980,004	980,004
Total Funding Costs	$974,775.30	$1,537,352	$980,004	$980,004
Current Level Services	974,775.30	1,537,352	980,004	980,004
Total Service Costs	$974,775.30	$1,537,352	$980,004	$980,004

Program Description

The Instruction Program of the Great Falls Vocational Technical Center includes all expenditures for personal services, operating expenses, and equipment for all activities that are part of the institution's instruction program which includes academic, occupational, and vocational instruction.

Budget Issues

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

The Great Falls Vo-Tech center requests general fund for capital equipment totaling $100,000. This request will be presented to the Appropriation Subcommittee.

PLANT OPERATION & MAINTENANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.00	.00	4.00	4.00
Personal Services	90,865.81	0	93,126	93,126
Operating Expenses	90,343.46	0	98,991	99,535
Total Program Costs	$181,209.27	$0	$192,117	$192,661
Current Unrestricted Fund	181,209.27	0	192,117	192,661
Total Funding Costs	$181,209.27	$0	$192,117	$192,661
Current Level Services	181,209.27	0	192,117	192,661
Total Service Costs	$181,209.27	$0	$192,117	$192,661

Program Description

The Plant Operations and Maintenance Program of the Great Falls Vocational Technical Center includes all expenditures of current operating funds for the operation and maintenance of physical plant. It includes all expenditures for operations established to provide services and maintenance relating to the grounds and facilities, utilities, fire protection, property insurance, and janitorial services.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	12.50	.00	14.05	14.05
Personal Services	309,167.28	0	340,968	340,968
Operating Expenses	83,075.93	0	95,881	75,881
Equipment	2,004.00	0	5,000	5,000
Total Program Costs	$394,247.21	$0	$441,849	$421,849
Current Unrestricted Fund	394,247.21	0	441,849	421,849
Total Funding Costs	$394,247.21	$0	$441,849	$421,849
Current Level Services	394,247.21	0	441,849	421,849
Total Service Costs	$394,247.21	$0	$441,849	$421,849

Program Description

The Support Program of the Great Falls Vocational Technical Center provides support services for the institution's primary objectives to include library materials, services that directly assist the academic functions, audio-visual services, academic administration and personnel development, and support for course and curriculum development.

Budget Issues

Increased support FTE which drive the formula amounts for this program causes this budget request to exceed current level expenditures and FTE.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Because the staffing pattern taken from the Postsecondary Policies and Procedures manual differs from that used to determine formula amounts for the Support Program, Great Falls Vo-Tech requests an additional $164,784 of general fund that would have been generated using the alternative pattern. This request will be presented to the Appropriation Subcommittee.

STATE FUNDS TRANSFERS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Transfers	1,391,388.00	0	1,613,970	1,594,514
Total Program Costs	$1,391,388.00	$0	$1,613,970	$1,594,514
General Fund	575,986.00	0	791,689	745,392
State Special Revenue Fund	567,648.00	0	610,563	637,404
Federal & Other Spec Rev Fund	247,754.00	0	211,718	211,718
Total Funding Costs	$1,391,388.00	$0	$1,613,970	$1,594,514
Current Level Services	1,391,388.00	0	1,613,970	1,594,514
Total Service Costs	$1,391,388.00	$0	$1,613,970	$1,594,514

Program Description

The Transfers Program of the Great Falls Vocational Technical Center funds the total request budgets for the Instructional, Support, and Plant Operations and Maintenance Programs for the institution. This is to include all State, Federal and Earmarked Revenue Funds appropriated.

Budget Issues

Appropriated funds for each program are transferred to an operational pool for disbursement. Figures shown above reflect the operational pool total for all programs.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	58.57	56.47	58.93	58.93
Personal Services	1,658,707.68	1,601,011	1,625,754	1,625,754
Operating Expenses	432,797.71	476,560	552,993	536,016
Equipment	154,979.97	58,628	26,878	24,578
Transfers	2,080,881.00	0	2,205,625	2,186,348
Total Agency Costs	$4,327,366.36	$2,136,199	$4,411,250	$4,372,696
General Fund	1,266,938.00	1,191,338	1,283,372	1,251,319
State Special Revenue Fund	549,143.00	671,189	703,993	716,769
Federal & Other Spec Rev Fund	281,228.00	273,672	218,260	218,260
Current Unrestricted Fund	2,230,057.36	0	2,205,625	2,186,348
Total Funding Costs	$4,327,366.36	$2,136,199	$4,411,250	$4,372,696
Current Level Services	4,327,366.36	2,136,199	4,411,250	4,372,696
Total Service Costs	$4,327,366.36	$2,136,199	$4,411,250	$4,372,696

Agency Description

The Helena Post-secondary Vocational Technical (Vo-Tech) Center's primary objectives are to prepare students for employment and to provide trained workers for Montana's employers. The Helena Vo-Tech staff provide vocational training in agricultural, business, health, home economics, office, technical, and trade/industries occupations.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	39.82	56.47	39.07	39.07
Personal Services	1,146,545.98	1,601,011	1,167,137	1,167,137
Operating Expenses	161,539.68	476,560	207,036	207,060
Equipment	149,533.94	58,628	23,628	23,628
Total Program Costs	$1,457,619.60	$2,136,199	$1,397,801	$1,397,825
General Fund	16,428.00	1,191,338	0	0
State Special Revenue Fund	0.00	671,189	0	0
Federal & Other Spec Rev Fund	0.00	273,672	0	0
Current Unrestricted Fund	1,441,191.60	0	1,397,801	1,397,825
Total Funding Costs	$1,457,619.60	$2,136,199	$1,397,801	$1,397,825
Current Level Services	1,457,619.60	2,136,199	1,397,801	1,397,825
Total Service Costs	$1,457,619.60	$2,136,199	$1,397,801	$1,397,825

Program Description

The Instruction Program of the Helena Vocational Technical Center includes all expenditures for personal services, operating expenses, and equipment for all activities that are part of the institution's instruction program which includes academic, occupational, and vocational instruction.

Budget Issues

The removal of approximately $125,906 capital equipment expenditures from the base year causes the budget request for this program to be below current level expenditures.

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

The Helena Vo-Tech center requests general fund for capital equipment totaling $100,000. This request will be presented to the Appropriation Subcommittee.

PLANT OPERATION & MAINTENANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.10	.00	4.10	4.10
Personal Services	82,418.94	0	83,092	83,092
Operating Expenses	207,862.51	0	240,109	242,467
Equipment	3,238.03	0	3,250	950
Total Program Costs	$293,519.48	$0	$326,451	$326,509
Current Unrestricted Fund	293,519.48	0	326,451	326,509
Total Funding Costs	$293,519.48	$0	$326,451	$326,509
Current Level Services	293,519.48	0	326,451	326,509
Total Service Costs	$293,519.48	$0	$326,451	$326,509

Program Description

The Plant Operations and Maintenance Program of the Helena Vocational Technical Center includes all expenditures of current operating funds for the operation and maintenance of physical plant. It includes all expenditures for operations established to provide services and maintenance related to the grounds and facilities, utilities, fire protection, property insurance, and janitorial services.

Budget Issues

Increases in natural gas, electricity, communications, and supplies cause this program budget to exceed current level expenditures.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.65	.00	15.76	15.76
Personal Services	429,742.76	0	375,525	375,525
Operating Expenses	50,066.28	0	105,848	86,489
Equipment	2,208.00	0	0	0
Total Program Costs	$482,017.04	$0	$481,373	$462,014
Current Unrestricted Fund	482,017.04	0	481,373	462,014
Total Funding Costs	$482,017.04	$0	$481,373	$462,014
Current Level Services	482,017.04	0	481,373	462,014
Total Service Costs	$482,017.04	$0	$481,373	$462,014

Program Description

The Support Program of the Helena Vocational Technical Center provides support services for the institution's primary objectives to include library materials, services that directly assist the academic functions, audio-visual services, academic administration and personnel development, and support for course and curriculum development.

Budget Issues

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Because the staffing pattern taken from the Postsecondary Policies and Procedures manual differs from that used to determine formula amounts for the Support Program, Helena Vo-Tech center requests an additional $160,417 of general fund that would have been generated using the alternative pattern. This request will be presented to the Appropriation Subcommittee.

PLANT PROGRAMS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	13,329.24	0	0	0
Total Program Costs	$13,329.24	$0	$0	$0
Current Unrestricted Fund	13,329.24	0	0	0
Total Funding Costs	$13,329.24	$0	$0	$0
Current Level Services	13,329.24	0	0	0
Total Service Costs	$13,329.24	$0	$0	$0

Budget Issues

These program expenditures are not included in the formula derived budget request for this center.

STATE FUNDS TRANSFERS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Transfers	2,080,881.00	0	2,205,625	2,186,348
Total Program Costs	$2,080,881.00	$0	$2,205,625	$2,186,348
General Fund	1,250,510.00	0	1,283,372	1,251,319
State Special Revenue Fund	549,143.00	0	703,993	716,769
Federal & Other Spec Rev Fund	281,228.00	0	218,260	218,260
Total Funding Costs	$2,080,881.00	$0	$2,205,625	$2,186,348
Current Level Services	2,080,881.00	0	2,205,625	2,186,348
Total Service Costs	$2,080,881.00	$0	$2,205,625	$2,186,348

Program Description

The Transfers Program of the Helena Vocational Technical Center funds the total request budgets for the Instructional, Support, and Plant Operations and Maintenance Programs for the institution. This is to include all State, Federal, and Earmarked Revenue Funds appropriated.

Budget Issues

Appropriated funds for each program are transferred to an operational pool for disbursement. Figures shown above reflect the operational pool total for all programs.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	69.03	68.16	66.76	66.76
Personal Services	1,920,501.72	1,627,809	1,548,957	1,548,957
Operating Expenses	461,679.18	493,896	481,065	463,423
Equipment	57,753.25	56,986	26,394	26,394
Transfers	2,129,615.75	0	2,056,416	2,038,774
Total Agency Costs	$4,569,549.90	$2,178,691	$4,112,832	$4,077,548
General Fund	1,284,420.00	1,203,438	1,093,948	1,043,194
State Special Revenue Fund	626,792.75	733,253	774,260	807,372
Federal & Other Spec Rev Fund	221,116.00	242,000	188,208	188,208
Current Unrestricted Fund	2,437,221.15	0	2,056,416	2,038,774
Total Funding Costs	$4,569,549.90	$2,178,691	$4,112,832	$4,077,548
Current Level Services	4,569,549.90	2,178,691	4,112,832	4,077,548
Total Service Costs	$4,569,549.90	$2,178,691	$4,112,832	$4,077,548

Agency Description

The Missoula Post-secondary Vocational Technical (Vo-Tech) Center's primary objectives are to prepare students for employment and to provide trained workers for Montana's employers. The Missoula Vo-Tech staff provide vocational training in agricultural, business, health, home economics, office, technical, and trade/industries occupations.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	43.18	68.16	43.10	43.10
Personal Services	1,278,210.39	1,627,809	1,007,389	1,007,389
Operating Expenses	174,292.22	493,896	178,677	178,677
Equipment	53,815.95	56,986	20,394	20,394
Total Program Costs	$1,506,318.56	$2,178,691	$1,206,460	$1,206,460
General Fund	2,713.00	1,203,438	0	0
State Special Revenue Fund	0.00	733,253	0	0
Federal & Other Spec Rev Fund	0.00	242,000	0	0
Current Unrestricted Fund	1,503,605.56	0	1,206,460	1,206,460
Total Funding Costs	$1,506,318.56	$2,178,691	$1,206,460	$1,206,460
Current Level Services	1,506,318.56	2,178,691	1,206,460	1,206,460
Total Service Costs	$1,506,318.56	$2,178,691	$1,206,460	$1,206,460

Program Description

The Instruction Program of the Missoula Vocational Technical Center includes all expenditures for personal services, operating expenses, and equipment for all activities that are part of the institution's instruction program which includes academic, occupational, and vocational instruction.

Budget Issues

In the 1983 biennium the legislature implemented "caps" on formula derived totals to provide a minimum and maximum yearly increase from the prior year's appropriation. The "caps" provided that each center receive in fiscal 1984 at least a 3.25 percent increase and no more than a 8.25 percent increase. Application of the "caps" results in this formula derived budget being below current level expenditures and FTE.

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

The Missoula Vo-Tech Center requests general fund for capital equipment totaling $100,000. This request will be presented to the Appropriations Subcommittee.

PLANT OPERATION & MAINTENANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.00	.00	6.00	6.00
Personal Services	134,778.35	0	142,671	142,671
Operating Expenses	165,717.08	0	186,475	188,364
Equipment	1,155.50	0	6,000	6,000
Total Program Costs	$301,650.93	$0	$335,146	$337,035
Current Unrestricted Fund	301,650.93	0	335,146	337,035
Total Funding Costs	$301,650.93	$0	$335,146	$337,035
Current Level Services	301,650.93	0	335,146	337,035
Total Service Costs	$301,650.93	$0	$335,146	$337,035

Program Description

The Plant Operations and Maintenance Program of the Missoula Vocational Technical Center includes all expenditures of current operating funds for the operation and maintenance of physical plant. It includes all expenditures for operations established to provide services and maintenance related to the grounds and facilities, utilities, fire protection, property insurance and janitorial services.

Budget Issues

Increases of $7,894 in personal services per year, $2,000 in telephone costs, $6,000 in electricity, $3,833 in natural gas, and $5,000 in equipment cause this budget request for operation and maintenance to exceed current level expenditures.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.85	.00	17.66	17.66
Personal Services	507,512.98	0	398,897	398,897
Operating Expenses	121,669.88	0	115,913	96,382
Equipment	2,781.80	0	0	0
Total Program Costs	$631,964.66	$0	$514,810	$495,279
Current Unrestricted Fund	631,964.66	0	514,810	495,279
Total Funding Costs	$631,964.66	$0	$514,810	$495,279
Current Level Services	631,964.66	0	514,810	495,279
Total Service Costs	$631,964.66	$0	$514,810	$495,279

Program Description

The Support Program of the Missoula Vocational Technical Center provides support services for the institution's primary objectives to include library materials, services that directly assist the academic functions, audio-visual services, academic administration and personnel development, and support for course and curriculum development.

Budget Issues

Reduced support FTE which drive the formula amounts for this program causes this budget request to be lower than current level expenditures and FTE.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

Modification Requests

The budget figures shown above do not include modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Because the staffing pattern taken from the Postsecondary Policies and Procedures manual differs from that used to determine formula amounts for the Support Program, Missoula Vo-Tech center requests an additional $71,054 of general fund that would have been generated using the alternative pattern. This request will be presented to the Appropriation Subcommittee.

STATE FUNDS TRANSFERS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Transfers	2,129,615.75	0	2,056,416	2,038,774
Total Program Costs	$2,129,615.75	$0	$2,056,416	$2,038,774
General Fund	1,281,707.00	0	1,093,948	1,043,194
State Special Revenue Fund	626,792.75	0	774,260	807,372
Federal & Other Spec Rev Fund	221,116.00	0	188,208	188,208
Total Funding Costs	$2,129,615.75	$0	$2,056,416	$2,038,774
Current Level Services	2,129,615.75	0	2,056,416	2,038,774
Total Service Costs	$2,129,615.75	$0	$2,056,416	$2,038,774

Program Description

The Transfers Program of the Missoula Vocational Technical Center funds the total request budgets for the Instruction, Support, and Plant Operations and Maintenance Programs for the institution. This is to include all State, Federal and Earmarked Revenue Funds appropriated.

Budget Issues

Appropriated funds for each program are transferred to an operational pool for disbursement. Figures shown above reflect the operational pool total for all programs.

The budgeted FY 1985 column shown above contains no expenditures, because appropriated amounts for the center were allocated to only the instruction program for that year. The total FY 1985 expenditures appear only in the instruction program and on the agency summary page.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	13.00	13.00	13.00	13.00
Personal Services	348,707.83	364,131	371,303	371,815
Operating Expenses	141,481.58	145,876	148,073	137,970
Equipment	4,577.00	0	3,790	500
Total Agency Costs	$494,766.41	$510,007	$523,166	$510,285
General Fund	412,304.13	424,367	440,666	427,785
Federal & Other Spec Rev Fund	82,462.28	85,640	82,500	82,500
Total Funding Costs	$494,766.41	$510,007	$523,166	$510,285
Current Level Services	487,436.47	510,007	523,166	510,285
Modified Level Services	7,329.94	0	0	0
Total Service Costs	$494,766.41	$510,007	$523,166	$510,285

Agency Description

The Board of Crime Control was created by section 2-15-2006, MCA. Under the supervision of the Board, the Crime Control Division provides supportive services and technical assistance to state and local criminal justice agencies. Technical assistance includes such areas as jail improvement, management training, statistical analysis, Crime-stoppers and crime prevention. Supportive services include: the Montana Uniform Crime Reporting system, which reports major offenses to the F.B.I. and provides management information for local law enforcement; Peace Officer Standards and Training, which promulgates standards and training for the certification of all peace officers; and the criminal justice data base, which provides an automated central repository for criminal justice data.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

Audit costs of $9,816 are included in FY86.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	8.50	8.50	8.50	8.50
Personal Services	232,726.80	225,344	234,414	235,093
Operating Expenses	151,901.05	160,288	199,025	197,519
Equipment	0.00	0	10,000	0
Grants	479,923.33	1,058,554	1,100,000	1,100,000
Total Agency Costs	$864,551.18	$1,444,186	$1,543,439	$1,532,612
State Special Revenue Fund	68,319.21	70,283	70,500	70,500
Federal & Other Spec Rev Fund	796,231.97	1,373,903	1,472,939	1,462,112
Total Funding Costs	$864,551.18	$1,444,186	$1,543,439	$1,532,612
Current Level Services	862,896.18	1,444,186	1,505,430	1,494,428
Modified Level Services	1,655.00	0	38,009	38,184
Total Service Costs	$864,551.18	$1,444,186	$1,543,439	$1,532,612

Agency Description

The Highway Traffic Safety Program was established by Title 61, chapter 2, MCA, to promote public safety, health, and welfare through efforts directed toward reducing death, injury, and property loss resulting from traffic accidents. Diverse projects are developed, initiated and maintained throughout various levels of government to ensure that a long-term, stable, and thoroughly professional statewide program exists.

Budget Issues

Modification Requests

New Services
Alcohol and Seat Belt Education. Federal emphasis is on increased public information and education regarding alcohol and occupant protection. HR4616 as amended and passed by Congress earmarks an additional 8% of total funding to be spent on seat belts. Federal funds.

Cost: FY 1986 - $ 31,200 FY 1987 - $ 31,200

Workload Increase
Fatal Accident Reporting. The Fatal Accident Reporting System has changed procedures for data transmission. The analyst for the reporting system is required by federal contract to attend two regional, two out-of-state and one computer training session and is also required to train others in nearby states. The terms of the contract increases the programs travel. A budget amendment was approved in FY85 regarding this increased cost. Federal funds.

Cost: FY 1986 - $ 4,009 FY 1987 - $ 4,009

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	8.50	8.50	8.50	8.50

Increased Mailing. Highway Traffic Safety distributes over 20 brochures and pamphlets on alcohol and seat belts and sends films to local groups on traffic safety related topics. With increased emphasis on public information and education the mailing costs are increasing. Federal funds.

Cost: FY 1986 - $ 2,800 FY 1987 - $ 2,975

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	525.10	523.35	523.35	523.35
Personal Services	13,108,838.48	13,003,985	13,467,703	13,489,907
Operating Expenses	4,741,365.48	4,780,866	5,026,351	4,601,992
Equipment	1,188,130.86	876,655	1,216,885	1,208,005
Total Agency Costs	$19,038,334.82	$18,661,506	$19,710,939	$19,299,904
General Fund	8,991,610.33	9,059,920	8,786,233	8,380,222
State Special Revenue Fund	9,317,170.59	9,027,301	10,282,641	10,280,272
Federal & Other Spec Rev Fund	347,245.86	208,803	245,238	245,888
Proprietary Fund	382,308.04	365,482	396,827	393,522
Total Funding Costs	$19,038,334.82	$18,661,506	$19,710,939	$19,299,904
Current Level Services	18,850,315.91	18,661,506	19,710,939	19,299,904
Modified Level Services	188,018.91	0	0	0
Total Service Costs	$19,038,334.82	$18,661,506	$19,710,939	$19,299,904

Agency Description

The Department of Justice, under the direction of the Attorney General, provides the state level leadership and coordination necessary for effective law enforcement and public safety, as authorized in section 2-15-501, MCA. The goals of the department are: 1) to provide the best possible legal representation for the state and its political subdivisions in criminal appeals; 2) to provide legal services for the state, county, and municipal agencies and their officials; 3) to enforce Montana traffic laws and register all motor vehicles; 4) to enforce state fire safety codes and regulations; 5) to assist local law enforcement agencies in bringing offenders to justice; and 6) to manage a statewide system of death investigations and provide scientific analyses of specimens submitted by law enforcement officials, coroners and state agencies.

Policy Issue

Modification Requests

The Governor believes that Elected Officials should be allowed to present their modification requests directly to the legislature, since they - as Elected Officials - have the best knowledge of their priorities for new services.

Therefore, the budget recommendations for Elected Officials' programs do not include funds for modification requests. Rather, each modification is described and its cost and source of funding detailed. The Executive Budget includes a reserve to fund those Elected Officials' modification requests approved by legislature.

Funding Change
House Bill 136 of the 48th Legislature gives authority for use of motor vehicle account funds in the Motor Vehicle Division, Law Enforcement Network System Program

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	525.10	523.35	523.35	523.35

(L.E.N.S.), Law Enforcement Academy and Forensic Science Division within the Department of Justice. Additional funding of $1,076,927 in FY86 and $1,023,350 in FY87 has been included in these programs to utilize the fund balance in the Motor Vehicle Account. The Driver Licensing Program within the Motor Vehicle Division reflects an offset to the general fund. L.E.N.S., the Law Enforcement Academy and the Forensic Science Division are not requested with general fund support for the 1987 biennium.

LEGAL SERVICES PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	20.00	20.00	20.00	20.00
Personal Services	583,175.31	629,606	645,820	646,729
Operating Expenses	161,872.29	170,699	167,743	163,454
Equipment	14,356.12	3,444	3,444	861
Total Program Costs	$759,403.72	$803,749	$817,007	$811,044
General Fund	739,883.95	783,057	796,707	790,744
State Special Revenue Fund	19,519.77	20,692	20,300	20,300
Total Funding Costs	$759,403.72	$803,749	$817,007	$811,044
Current Level Services	759,403.72	803,749	817,007	811,044
Total Service Costs	$759,403.72	$803,749	$817,007	$811,044

Program Description

The Legal Services Program staff provide the Attorney General with legal research and analysis; provide legal counsel for state government officials, bureaus, and boards; represent Montana's interests in cases before state and federal courts, anti-trust cases and cases involving property that reverts to the state in the absence of legal heirs; interpret laws; provide legal assistance to local governments in bond issues and in other matters; and enforce the laws relating to the reporting and collection of unclaimed property owing to persons who cannot be located.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

Included in the above figures is $10,000 per year for case-related travel and $18,000 per year for multi-district antitrust case assessments.

INDIAN LEGAL JURISDICTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	2.00	2.00	2.00
Personal Services	58,469.37	55,320	59,996	60,173
Operating Expenses	431,815.63	18,636	438,944	38,989
Equipment	542.10	0	0	0
Total Program Costs	$490,827.10	$73,956	$498,940	$99,162
General Fund	490,827.10	73,956	498,940	99,162
Total Funding Costs	$490,827.10	$73,956	$498,940	$99,162
Current Level Services	490,827.10	73,956	498,940	99,162
Total Service Costs	$490,827.10	$73,956	$498,940	$99,162

Program Description

The Indian Legal Jurisdiction program staff provide coordination of trial and appellate lawsuits involving the state of Montana and the Indian tribes, provide legal services and supervise private attorneys contracted by the state to assist with those cases.

Budget Issues

The above budget contains a $400,000 biennial appropriation request which will provide for legal services and expert witness costs for the 1987 biennium.

COUNTY PROSECUTOR SERVICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	3.00	3.00	3.00	3.00
Personal Services	100,734.16	99,086	102,233	102,276
Operating Expenses	23,446.78	22,056	24,458	24,809
Total Program Costs	$124,180.94	$121,142	$126,691	$127,085
General Fund	124,180.94	121,142	126,691	127,085
Total Funding Costs	$124,180.94	$121,142	$126,691	$127,085
Current Level Services	124,180.94	121,142	126,691	127,085
Total Service Costs	$124,180.94	$121,142	$126,691	$127,085

Program Description

The County Prosecutor Services Program (CPS) staff provide legal assistance to counties in the prosecution and disposition of major felonies and in cases in which county attorneys have conflicts of interest. This program also coordinates training and continuing legal education for county attorneys and city attorneys.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

Modification Request

The budget figures shown above do not include the modification request. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Workload Increase
Assistant Attorney General (1 FTE) -- The Department requests funds to support an assistant attorney general position. This attorney would be primarily responsible for providing legal advice to the Criminal Investigation Bureau. Based on previous experience with the southeastern Coal Counties Task Force the agents of the Special Investigation Section would need legal advice on a regular basis. Approximately 75% of the attorney's time would be devoted to advising the agents. The attorney would also assist county attorneys in prosecuting cases resulting from investigations conducted by the agents. It is anticipated that as many as 100 major additional prosecutions per year will form the work of the Special Investigation Section. General fund.

Cost: FY 1986 - $42,786 FY 1987 - $41,784

AGENCY LEGAL SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.75	9.00	9.00	9.00
Personal Services	287,118.88	281,767	305,768	306,145
Operating Expenses	95,189.16	83,715	91,059	87,377
Total Program Costs	$382,308.04	$365,482	$396,827	$393,522
Proprietary Fund	382,308.04	365,482	396,827	393,522
Total Funding Costs	$382,308.04	$365,482	$396,827	$393,522
Current Level Services	367,357.04	365,482	396,827	393,522
Modified Level Services	14,951.00	0	0	0
Total Service Costs	$382,308.04	$365,482	$396,827	$393,522

Program Description

The Agency Legal Services Program (ALS) provides legal services, upon request, to state agencies. Agencies are billed for attorney time and case-related costs to support the program.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

Modification Request

The budget figures shown above do not include the modification request. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Workload Increase
Investigator (1 FTE) -- The Department requests spending authority to support one FTE investigator position. The position was established by budget amendment in the 1985 biennium. A significant number of cases handled by the ALS Bureau require extensive field work and investigation which does not require the expertise of an attorney and can be performed more efficiently by an investigator.

Cost: FY 1986 - $33,567 FY 1987 - $33,678

MOTOR VEHICLE ADMIN PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	2.90	2.90	2.90	2.90
Personal Services	79,660.35	83,139	85,709	85,745
Operating Expenses	13,161.56	10,053	16,198	16,384
Equipment	300.00	378	0	0
Total Program Costs	$93,121.91	$93,570	$101,907	$102,129
State Special Revenue Fund	93,121.91	93,570	101,907	102,129
Total Funding Costs	$93,121.91	$93,570	$101,907	$102,129
Current Level Services	93,121.91	93,570	101,907	102,129
Total Service Costs	$93,121.91	$93,570	$101,907	$102,129

Program Description

The Motor Vehicle Administrator's Program is responsible for policy direction and administration of driver licensing enforcement actions relating to driver improvement, motor vehicle registration and titling, mandatory vehicle insurance laws, and dealer and manufacturer licensing as set forth in Title 61, MCA.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

DRIVER LICENSING PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	80.80	80.80	80.80	80.80
Personal Services	1,501,336.02	1,491,160	1,508,539	1,510,901
Operating Expenses	436,277.93	474,216	513,829	515,000
Equipment	44,896.05	34,060	49,000	45,000
Total Program Costs	$1,982,510.00	$1,999,436	$2,071,368	$2,070,901
General Fund	1,883,110.00	1,900,536	1,926,618	1,924,801
State Special Revenue Fund	99,400.00	98,900	144,750	146,100
Total Funding Costs	$1,982,510.00	$1,999,436	$2,071,368	$2,070,901
Current Level Services	1,982,510.00	1,999,436	2,071,368	2,070,901
Total Service Costs	$1,982,510.00	$1,999,436	$2,071,368	$2,070,901

Program Description

The Driver Services Program staff administer the driver licensing and control provisions of the Motor Vehicle Code. This program also promotes driver safety by monitoring drivers permitted to operate motor vehicles, dealing with problem drivers, and supplying information to the criminal justice system.

Budget Issues

Expenditures for contracted printing and photographic services are increased slightly due to staggered printing of manuals and the fact that FY 84 was lower than normal for production of driver licenses. Late FY 84 and FY 85 indicate normal or slightly above normal production.

Postage and mailing costs for this program and the Field Services program have been reallocated. This budget reflects $23,252 of costs per year transferred from the Field Services program.

Modification Requests

The budget figures shown above do not include the modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

New Services

Feasibility study for microfilming driver license records -- The Department requests funds to perform a feasibility study for microfilming the driver license records. The Bureau maintains approximately 900,000 driver records containing an estimated 2 1/2 million documents. The increasing size of this file requires that a new system be developed to manage the volume of information. The study will include format design of the driver record; research into statute changes which may be required to permit the use of microfilmed records as original documents, interfacing such a record system with computerized driving records, cost, and personnel required to

DRIVER LICENSING PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	80.80	80.80	80.80	80.80

operate such a system. General fund.

Cost: FY 1986 - $20,000 FY 1987 - $ 0

New Services
Supervisor Training at Northwestern University Traffic Institute -- The Department requests funds to send the four district supervisors to advanced training in driver licensing and control. The supervisors are responsible for administering their districts' licensing and counselling operations, training of new examiners, and inservice training of examiners and conducting special investigations. NUTI offers the only known services of this kind to state driver licensing personnel. General fund.

Cost: FY 1986 - $ 3,466 FY 1987 - $ 3,466

HIGHWAY PATROL DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	230.60	229.60	229.60	229.60
Personal Services	6,586,497.26	6,379,150	6,671,107	6,682,824
Operating Expenses	1,465,721.38	1,605,552	1,491,442	1,468,607
Equipment	849,729.97	744,678	976,500	1,062,030
Total Program Costs	$8,901,948.61	$8,729,380	$9,139,049	$9,213,461
General Fund	2,581,960.00	2,754,682	3,017,010	3,079,071
State Special Revenue Fund	6,232,838.65	5,974,698	6,122,039	6,134,390
Federal & Other Spec Rev Fund	87,149.96	0	0	0
Total Funding Costs	$8,901,948.61	$8,729,380	$9,139,049	$9,213,461
Current Level Services	8,848,798.65	8,729,380	9,139,049	9,213,461
Modified Level Services	53,149.96	0	0	0
Total Service Costs	$8,901,948.61	$8,729,380	$9,139,049	$9,213,461

Program Description

The Montana Highway Patrol, a public service agency, patrols the highways, enforcing Montana traffic laws and investigating accidents. They give assistance and information to motorists, first aid to the injured and transport blood and medical supplies in emergency situations.

Budget Issues

The proposed budget allows the program to maintain its current level of operation.

FY86 reflects $9,400 to accredit Highway Patrol Officers.

Due to a reallocation of postage and mailing costs, $23,252 per year is transferred to the Driver Licensing Program.

Modification Requests

The budget figures shown above do not include the modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved the by Legislature.

Workload Increase
Additional patrol officers (FY86-7 FTE, FY87-13 FTE) -- The Department requests highway earmarked funds to support 13 new Highway Patrol officers. The additional officers are needed to provide 24 hour coverage in high accident metropolitan areas, to provide coverage in some rural areas where there is minimal patrolling done and to address growing problems created by increased traffic and vehicle miles traveled in Montana. General fund/earmarked revenue.

Cost: FY 1986 - $338,349 FY 1987 - $499,909

HIGHWAY PATROL DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	230.60	229.60	229.60	229.60

Workload Increase
Recruit School -- The Department requests funds to provide training for 15 additional patrol officers. The 15 officers include 13 new patrol officers (7 new officers in FY 86 and an additional 6 new officers in FY 87) and two new patrol officers funded with Highway Traffic Safety funds. The Highway Patrol trains new officers in an intensive 11-week school. Officers are not sworn or assigned until they have successfully completed recruit school training. General fund.

Cost: FY 1986 - $ 44,623 FY 1987 - $ 30,099

New Services
Communications Technicians (2 FTE) -- The Department requests funds to support two FTE communication technician positions. The Highway Patrol has a large inventory of communications equipment including 220 two-way radios, 210 radar sets, base stations, repeaters and electronic testing equipment. The communications technicians would assist the existing radio engineer with installation, maintenance and repair of equipment. Cost savings would result from a reduction of contracted repairs. This would also allow standardized installation and improved maintenance. One FTE is requested to begin FY 86 and the second would begin in FY 87. General fund.

Cost: FY 1986 - $ 40,802 FY 1987 - $ 68,397

New Services
Highband Radio Installation for Western Montana -- The Department requests highway earmarked funds to purchase highband radio and dispatch equipment for western Montana. This will complete the regional radio dispatch system and highband mobile communications for the Highway Patrol. The completed system will allow better supervision of patrol officers and ensure more timely response to highway traffic emergencies. Earmarked revenue.

Cost: FY 1986/1987 - $389,750 -- request appropriation for the biennium.

New Services

Advanced Training for Patrol Officers -- The Department requests spending authority to use funds provided by the National Highway Traffic Safety Administration for the purpose of providing advanced training for patrol officers. Training would be provided in the following fields: advanced accident investigation, driving under the influence, legal and management training. Funding for these training programs has been provided by NHTSA in the past and authorized through the budget amendment process. Federal funds.

Cost: FY 1986 - $ 32,000 FY 1987 - $ 32,000

New Services
55 MPH Enforcement (2 FTE + overtime) -- The Department requests spending authority to use funds provided by the National Highway Traffic Safety Administration for the purpose of enforcing the 55 MPH conservation speed limit on interstate and primary highways. The enforcement program is twofold. One segment consists of two FTE

HIGHWAY PATROL DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	230.60	229.60	229.60	229.60

patrol officers whose sole duties are enforcement of the 55 MPH speed limit in areas which studies show have a higher than average speed. The other segment funds existing Patrol officers to work on their days off for time-and-a-half pay. Specific problem areas are targeted in an attempt to lower the State's speed compliance level to that required by federal guidelines. Non-compliance on Montana highways could result in a loss of federal funds for construction of highways. Federal funds.

Cost: FY 1986 - $134,703 FY 1987 - $134,703

VEHICLE REGISTRATION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	70.00	70.00	70.00	70.00
Personal Services	1,150,179.22	1,150,013	1,185,437	1,187,810
Operating Expenses	676,183.40	851,775	724,565	737,667
Equipment	79,419.95	29,590	38,702	15,980
Total Program Costs	$1,905,782.57	$2,031,378	$1,948,704	$1,941,457
State Special Revenue Fund	1,905,782.57	2,031,378	1,948,704	1,941,457
Total Funding Costs	$1,905,782.57	$2,031,378	$1,948,704	$1,941,457
Current Level Services	1,905,782.57	2,031,378	1,948,704	1,941,457
Total Service Costs	$1,905,782.57	$2,031,378	$1,948,704	$1,941,457

Program Description

The Vehicle Registration Program staff implement provisions of the Motor Vehicle Code, Title 61, chapters 3, 4, and 6, MCA, and handle miscellaneous registrations as provided for in Title 23, Chapter 2, MCA. This program provides a system of motor vehicle registration, a certificate of ownership, lien filing, and licensing of automobile dealers and manufacturers.

Budget Issues

The current level budget contains increases in several areas. Data processing costs are increased approximately $4,500 per year for maintenance agreements on equipment purchased in FY84. Rent and maintenance contracts on office equipment increase approximately $4,000 per year.

The Vehicle Registration Program prints numerous certificates, forms, permits and decals. Because some items were not printed in FY 84, expenditures were below the normal printing schedule. Approximately $2,500 each year is added to the 84 base.

Beginning late in FY 84, the program accelerated its training and assistance in titling and registration provided to counties. Travel expenditures are increased $1,300 per year to continue this effort.

Modification Requests

The budget figures shown above do not include the modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Workload Increase
Upgrade Word Processing System -- The Department requests funds to upgrade the software of the existing word processing system and to purchase additional hardware. The upgraded software would allow the Bureau to automate accounting which would eliminate hand-totalling of columns and allow rapid access to accounting files,

VEHICLE REGISTRATION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	70.00	70.00	70.00	70.00

accommodate additional terminals to automate the accounting function, double the storage capacity, allow for automation of dealer and boat files, and decrease the time for merging documents by 500%. The funds would also cover the purchase of three 5253 terminals and one 5219 printer. Earmarked revenue.

Cost: FY 1986 - $42,625 FY 1987 - $ 2,914

New Services
County Coordinator (1 FTE) -- The Department requests funds for a full-time county coordinator for the purpose of integrating automated motor vehicle registration systems and promoting training and adherence to policies and procedures in county offices. The coordinator would travel to county offices to instruct motor vehicle personnel and monitor county operations; work to ensure that proper accounting systems are being used to account for motor vehicle revenue; study areas in which county motor vehicle offices and the Registrar's Bureau could benefit from existing efforts including the integration of existing systems, develop ways to use existing county data on vehicles to avoid duplication of keying efforts and initiate data reports to assist the county offices in fulfilling their responsibilities. Earmarked revenue.

Cost: FY 1986 - $31,667 FY 1987 - $31,724

New Services
Automate four additional county treasurer offices for motor vehicle registration -- The Department requests funds to automate four additional counties for the purposes of motor vehicle registration. By bringing the next four largest counties on line the Bureau could absorb the annual growth in registration. Automation would also increase file accuracy and timeliness. Each of the counties would be provided with two CRT's, a control unit, and a printer. Earmarked revenue.

Cost: FY 1986 - $25,401 FY 1987 - $50,803

L.E.S.D. ADMINISTRATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	2.00	2.00	2.00
Personal Services	61,510.27	59,778	62,340	62,366
Operating Expenses	9,641.37	13,793	10,151	10,361
Equipment	0.00	0	8,520	0
Total Program Costs	$71,151.64	$73,571	$81,011	$72,727
General Fund	71,151.64	73,571	81,011	72,727
Total Funding Costs	$71,151.64	$73,571	$81,011	$72,727
Current Level Services	71,151.64	73,571	81,011	72,727
Total Service Costs	$71,151.64	$73,571	$81,011	$72,727

Program Description

The Law Enforcement Services Division Administrator's Program administers four bureaus: Criminal Investigation, Fire Marshall, Identification, and the Law Enforcement Academy. These bureaus provide a broad spectrum of services vital to local, county, state, and federal law enforcement criminal justice agencies throughout Montana.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

COUNTY ATTORNEY PAYROLL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	28.00	28.00	28.00	28.00
Personal Services	727,291.00	773,321	765,385	765,720
Total Program Costs	$727,291.00	$773,321	$765,385	$765,720
General Fund	727,291.00	773,321	765,385	765,720
Total Funding Costs	$727,291.00	$773,321	$765,385	$765,720
Current Level Services	727,291.00	773,321	765,385	765,720
Total Service Costs	$727,291.00	$773,321	$765,385	$765,720

Program Description

The County Attorney Payroll Program administered by the Central Services Division, pays one-half the salary and benefits of the 56 county attorneys from state general funds, as required under section 7-4-2502, MCA.

LAW ENFORCEMENT TELETYPE PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.05	8.05	7.05	7.05
Personal Services	158,176.91	168,393	142,705	142,943
Operating Expenses	378,764.93	497,609	452,018	460,764
Equipment	69,015.00	0	4,000	4,000
Total Program Costs	$605,956.84	$666,002	$598,723	$607,707
General Fund	194,573.84	323,840	0	0
State Special Revenue Fund	411,383.00	342,162	598,723	607,707
Total Funding Costs	$605,956.84	$666,002	$598,723	$607,707
Current Level Services	605,956.84	666,002	598,723	607,707
Total Service Costs	$605,956.84	$666,002	$598,723	$607,707

Program Description

The Law Enforcement Network System (L.E.N.S.) program provides an integrated telecommunications network to facilitate the exchange of criminal justice information among federal, state and local law enforcement agencies.

Budget Issues

The FTE count reflects one position transferred from this program to the Data Processing Bureau in FY84.

Effective July 1, 1985, the Law Enforcement Teletypewriter System will be driven by a mainframe computer which replaces the outdated switcher presently running the system. The new computer greatly enhances the capabilities of LETS in addition to providing an off-site emergency backup system for the Department of Administration's main computer. Installation of this computer at the National Guard Armory will require computer operator support 24 hours a day.

Modification Request

The budget figures shown above do not include the modification requests. This Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Regional Dispatch (FY86, 11.0 FTE, FY87 16.0 FTE) -- The Department of Justice requests funds to support regional dispatch positions. The Law Enforcement Teletype System and the Highway Patrol Communications System must be staffed 24 hours a day. The 48th Legislative Assembly authorized funds to purchase communications equipment to provide 24-hour regional dispatch for the Highway Patrol and assorted state agencies in Eastern Montana with dispatch centers located in Billings and Glendive. A regional dispatch center had already been established in Helena as a pilot project. The positions will be located as follows: Three FTE in Glendive; four FTE in Billings and four FTE in Helena. This allocation of FTE would provide for a

LAW ENFORCEMENT TELETYPE PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	7.05	8.05	7.05	7.05

total of three dispatchers in Glendive and four in Billings to operate one dispatch console in each location. The remaining four FTE would be added to existing staff in Helena to provide for two supervisors, and allow staffing of two new dispatch consoles, a total of three consoles in Helena. The Helena office would dispatch for the Great Falls, Butte and Helena areas.

The five additional FTE's in FY87 would be used in the Missoula Regional Dispatch Center to cover Highway Patrol and other staff agencies radio/telecommunications dispatch for Region I which includes the following counties: Missoula, Ravalli, Mineral, Sanders, Lake, Flathead and Lincoln. General Fund

Cost: FY 1986 - $221,288 FY 1987 - $322,739

LAW ENFORCEMENT ACADEMY PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	12.00	12.00	12.00	12.00
Personal Services	302,412.98	292,308	305,856	306,468
Operating Expenses	321,331.82	354,952	342,756	355,333
Equipment	10,060.64	5,800	3,000	3,000
Total Program Costs	$633,805.44	$653,060	$651,612	$664,801
General Fund	344,234.74	447,328	0	0
State Special Revenue Fund	261,645.70	205,732	651,612	664,801
Federal & Other Spec Rev Fund	27,925.00	0	0	0
Total Funding Costs	$633,805.44	$653,060	$651,612	$664,801
Current Level Services	605,880.44	653,060	651,612	664,801
Modified Level Services	27,925.00	0	0	0
Total Service Costs	$633,805.44	$653,060	$651,612	$664,801

Program Description

The Law Enforcement Academy Bureau provides a professional education and training program in criminal justice for Montana law enforcement officers and other criminal justice personnel, as specified by sections 44-10-101 through 44-10-103, MCA.

Budget Issues

Increases to the current level base include $2,000 per year to print a quarterly bulletin, $8,000 per year for supplies for a new copy machine purchased in FY85, $4,900 per year to cover increased food costs at MSU for 4,705 student days of meals and $6,700 per year to bring ammunition purchases to a normal year expenditure level.

Non-staff instruction is raised from $10 to $15 per contract hour. Sufficient funding is included to provide 1,000 hours of instruction at $15 per hour.

Modification Request

The budget figures shown above do not include the modification request. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

New Services

State funding of tuition for mandatory schools -- The Department requests funds to cover the portion of operating funds the Law Enforcement Academy derives from tuitions paid by agencies for students attending mandatory schools. Elimination of tuition fees for mandatory schools will allow more equitable training opportunities for peace officers throughout Montana. Under the present system, law enforcement agencies are required by statute to send officers to mandatory schools and to pay the tuition for the same. Since these schools are required by law, the State should

LAW ENFORCEMENT ACADEMY PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	12.00	12.00	12.00	12.00

provide the funding. Tuition would still be required for all other schools offered by the academy. General Fund.

Cost: FY 1986 - $ 39,330 FY 1987 - $ 39,330

FIRE MARSHAL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.00	8.00	8.00	8.00
Personal Services	231,680.10	230,291	234,737	234,837
Operating Expenses	80,180.50	86,791	92,834	89,053
Equipment	9,200.49	8,279	19,491	10,142
Total Program Costs	$321,061.09	$325,361	$347,062	$334,032
General Fund	321,061.09	325,361	347,062	334,032
Total Funding Costs	$321,061.09	$325,361	$347,062	$334,032
Current Level Services	321,061.09	325,361	347,062	334,032
Total Service Costs	$321,061.09	$325,361	$347,062	$334,032

Program Description

The Fire Marshal's Program is responsible for reducing the loss of life and property from fire, explosion, and arson in accordance with sections 50-3-101 through 50-3-109, MCA.

Services offered through this program are fire and arson investigation, inspection of state-owned buildings, fire code interpretation and enforcement and the collection of fire data through the fire incident reporting system.

Budget Issues

The proposed budget allows this program to maintain current operations with increases in two areas.

FY86 includes costs for printing of the Montana Fire Codes which are printed every other year and the Uniform Building Codes which are printed every three years.

The Bureau is experiencing increased requests from local law enforcement and fire agencies for assistance to investigate arson and to assist in the abatement of fire hazards. Also a legislative performance audit has recommended the Fire Marshal give additional service to local fire departments. The budget includes an additional $5,490 per year in travel and training for this increased activity.

Modification Requests

The budget figures shown above do not include the modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Workload Increase
Deputy State Fire Marshal (1 FTE) -- The Department requests funds to support an additional Deputy State Fire Marshal. An increase in the workload of the Fire Marshal Bureau in addition to new duties mandated by the Legislature and

FIRE MARSHAL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.00	8.00	8.00	8.00

recommendations of the performance audit require the services of an additional deputy. The number of fires investigated by the Fire Marshal Bureau in 1983 increased 94.7% from 1980 and the number of inspections of state and other properties has increased by 30% from 1981. General fund.

Cost: FY 1986 - $ 43,343 FY 1987 - $ 32,974

Workload Increase
Secretary/Keypunch Operator (1 FTE) -- The Department requests funds to support a secretary/keypunch operator. An increase in the workload and recommendations of the Legislative Auditor's performance audit require additional clerical services for the Bureau. The number of fire incident reports increased by 41% from 1980 to 1983. The performance audit recommended that the bureau verify its keypunching which will double the required hours for keypunching to approximately 1450 hours. General fund.

Cost: FY 1986 - $ 18,232 FY 1987 - $ 15,089

IDENTIFICATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.00	7.00	8.00	8.00
Personal Services	137,555.69	137,879	171,647	172,042
Operating Expenses	67,205.66	65,614	70,883	71,298
Equipment	11,944.06	4,027	3,739	908
Total Program Costs	$216,705.41	$207,520	$246,269	$244,248
General Fund	216,705.41	207,520	246,269	244,248
Total Funding Costs	$216,705.41	$207,520	$246,269	$244,248
Current Level Services	216,705.41	207,520	246,269	244,248
Total Service Costs	$216,705.41	$207,520	$246,269	$244,248

Program Description

The Identification Bureau staff collect, process, preserve and disseminate accurate criminal history record information and provide latent print services and related training to criminal justice agencies throughout the state and nation.

Budget Issues

The FTE count reflects one FTE, criminal records coordinator, being transferred to this program from the Central Services Division. This position is support for the missing person responsibility contained in Section 44-2-401 and 402 MCA as passed by the 48th Legislature.

The proposed budget allows this program to maintain its current level of operation.

Modification Requests

The budget figures shown above do not include the modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Workload Increase
Latent Examiner (1 FTE) -- The Department requests funds to support a latent fingerprint examiner position. An increase in the workload for the one latent examiner in the ID Bureau requires that an additional examiner be added to the staff to meet the needs of law enforcement throughout the State. In 1980 the latent examiner handled 390 cases and in 1983 the examiner handled 637 cases. General fund.

Cost: FY 1986 - $ 23,929 FY 1987 - $ 23,017

New Services
Missing Person Specialist Support -- The Department requests funds to support the functions of the Missing Person Specialist. The 48th Legislative Assembly enacted

IDENTIFICATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.00	7.00	8.00	8.00

legislation requiring the Department of Justice to establish a system for maintaining files on missing persons and unidentified bodies. The Legislature did not provide funds to support these new duties. The Department transferred the criminal records coordinator FTE from the Central Services Program to the ID program to perform these functions. However, operating expenses must be provided. General fund.

Cost: FY 1986 - $ 8,726 FY 1987 - $ 5,278

CRIMINAL INVESTIGATORS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.00	4.00	4.00	4.00
Personal Services	126,682.70	121,525	128,311	128,780
Operating Expenses	85,173.61	36,697	33,961	34,388
Equipment	363.99	8,020	33,320	9,798
Total Program Costs	$212,220.30	$166,242	$195,592	$172,966
General Fund	155,227.35	166,242	195,592	172,966
Federal & Other Spec Rev Fund	56,992.95	0	0	0
Total Funding Costs	$212,220.30	$166,242	$195,592	$172,966
Current Level Services	155,227.35	166,242	195,592	172,966
Modified Level Services	56,992.95	0	0	0
Total Service Costs	$212,220.30	$166,242	$195,592	$172,966

Program Description

The Criminal Investigation Bureau staff are required to "assist city, county, state and federal law enforcement agencies at their request by providing expert and immediate aid in investigation and solution of felonies committed in Montana" (section 44-2-115, MCA) and "investigating apparent violations of penal statutes disclosed by the audit of a state agency conducted by the Legislative Auditor and reported by him to the Attorney General and the Governor" (section 5-13-304(3), MCA).

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

Modification Requests

The budget figures shown above do not include the modification request. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

New Services
Rocky Mountain Information Network (2 FTE) -- the Department requests spending authority to continue to expend federal funds to coordinate the activities of the Rocky Mountain Information Network (RMIN) in Montana. RMIN is an eight-state regional intelligence sharing network comprised of local, state and federal law enforcement agencies. RMIN's goal is to provide member law enforcement agencies with support in the detection, enforcement and prosecution of criminal activities that cross jurisdictional boundaries. Federal funds.

Cost: FY 1986 - $ 68,978 FY 1987 - $ 68,235

CRIMINAL INVESTIGATORS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.00	4.00	4.00	4.00

New Services

Additional Investigators and Clerical Support (12 FTE) -- The Department requests funds to support three general criminal investigator positions, four undercover criminal investigator positions, three secretarial positions and two intelligence clerks. This proposal will add an additional supervisor investigator, a general criminal investigator and two secretaries to the General Investigation Section (GIS). The GIS currently has three agents, a bureau chief and no secretarial support. This modification will establish a Special Investigation Section to provide covert criminal investigations throughout the State emphasizing illegal drugs and stolen property. The Special Investigation Section will consist of one supervisor investigator, three agents and one secretary. The modification also provides for two intelligence clerks to handle the increased flow of information and analyze the data collected. General fund.

Cost: FY 1986 - $699,887 FY 1987 - $495,294

CRIMINAL INVESTIGATION COAL BO BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	5.00	5.00	5.00	5.00
Personal Services	71,352.44	133,101	145,649	145,710
Operating Expenses	68,825.51	75,702	99,589	100,178
Total Program Costs	$140,177.95	$208,803	$245,238	$245,888
Federal & Other Spec Rev Fund	140,177.95	208,803	245,238	245,888
Total Funding Costs	$140,177.95	$208,803	$245,238	$245,888
Current Level Services	140,177.95	208,803	245,238	245,888
Total Service Costs	$140,177.95	$208,803	$245,238	$245,888

Program Description

The Criminal Investigations/Coal Board Program provides undercover criminal investigative services, primarily in illegal drugs and stolen property, to the Eastern Coal Counties Task Force. The program is funded by a grant from the Montana Coal Board. The counties served are Yellowstone, Big Horn, Rosebud, Treasure and Powder River.

CENTRAL SERVICE DIVISION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	11.00	11.00	10.00	10.00
Personal Services	285,471.27	278,745	262,306	262,880
Operating Expenses	94,007.15	72,126	115,812	86,769
Equipment	883.85	25,879	25,269	25,000
Total Program Costs	$380,362.27	$376,750	$403,387	$374,649
General Fund	376,249.28	351,750	364,703	349,649
State Special Revenue Fund	4,112.99	25,000	38,684	25,000
Total Funding Costs	$380,362.27	$376,750	$403,387	$374,649
Current Level Services	380,362.27	376,750	403,387	374,649
Total Service Costs	$380,362.27	$376,750	$403,387	$374,649

Program Description

The Central Services Division staff provide the administrative, budgetary, accounting, and fiscal support for the Department of Justice.

Budget Issues

The FTE count reflects one FTE, criminal records coordinator, being transferred to the I.D. Bureau in FY 86-87 as support for the missing person responsibility contained section 44-2-401 and 402, MCA as passed by the 48th Legislature.

The budget figures include $29,747 in FY86 for the biennial audit of the Department and approximately $58,000 each year for general comprehensive liability insurance.

The proposed budget allows this program to maintain its current level of operation.

DATA PROCESSING PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.00	7.00	8.00	8.00
Personal Services	232,002.68	215,194	244,370	244,906
Operating Expenses	16,540.13	15,135	16,768	17,004
Equipment	2,847.94	0	1,000	0
Total Program Costs	$251,390.75	$230,329	$262,138	$261,910
General Fund	251,390.75	230,329	262,138	261,910
Total Funding Costs	$251,390.75	$230,329	$262,138	$261,910
Current Level Services	251,390.75	230,329	262,138	261,910
Total Service Costs	$251,390.75	$230,329	$262,138	$261,910

Program Description

The staff of the Data Processing Division plan, direct, evaluate and support all programs within the department that rely on automated data processing and law enforcement telecommunication systems. The goal of the program is to provide the department with efficient data processing and telecommunications capabilities with which to serve the general public.

Budget Issues

The FTE count reflects one FTE, systems analyst, transferred to this program from the L.E.N.S. Program in FY84.

The proposed budget allows this program to maintain its current level of operation.

Modification Requests

The budget figures shown above do not include the modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Workload Increase
Programmer/Analyst (1 FTE) -- The Department requests funds to support an additional programmer/analyst. The DP Division has five programmer/analysts and is responsible for 11 major computer systems. Presently there is a backlog for maintenance on existing systems that will take an estimated 700 work days to complete. Additionally there are requests for 11 major changes to existing systems and the development of two smaller systems. One additional programmer/analyst will increase support in the Department by 20% and allow for better utilization of existing personnel, increased back-up programmer support, quicker response to agency requests for services and overall increased quality of operating systems in the Department of Justice. General fund.

Cost: FY 1986 - $ 26,941 FY 1987 - $ 26,120

DATA PROCESSING PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.00	7.00	8.00	8.00

New Services
Switcher Support (3 FTE) -- The Department requests funds to support three computer operator positions. These operators are necessary to staff the computer center which will be located in the Armory Building. The computer center is the result of a cooperative project between the Departments of Administration and Justice which was authorized by the 48th Legislative Assembly. The project calls for the installation of a computer in the Armory Building which will provide switching capabilities for the Law Enforcement Telecommunications Network and emergency and disaster recovery capability for the State mainframe computer. General fund.

Cost: FY 1986 - $ 73,152 FY 1987 - $ 71,648

EXTRADITION & TRANSP PRISONERS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	153,401.00	156,107	158,107	158,107
Total Program Costs	$153,401.00	$156,107	$158,107	$158,107
General Fund	153,401.00	156,107	158,107	158,107
Total Funding Costs	$153,401.00	$156,107	$158,107	$158,107
Current Level Services	153,401.00	156,107	158,107	158,107
Total Service Costs	$153,401.00	$156,107	$158,107	$158,107

Program Description

The Extradition and Transportation of Prisoners Program, administered by Central Services Division staff, review and process claims to sheriffs for expenses of transporting certain prisoners to state prison.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

FORENSIC SCIENCE DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.00	14.00	14.00	14.00
Personal Services	427,531.87	424,209	439,788	440,652
Operating Expenses	162,625.67	169,638	165,234	166,450
Equipment	94,570.70	12,500	50,900	31,286
Total Program Costs	$684,728.24	$606,347	$655,922	$638,388
General Fund	360,362.24	371,178	0	0
State Special Revenue Fund	289,366.00	235,169	655,922	638,388
Federal & Other Spec Rev Fund	35,000.00	0	0	0
Total Funding Costs	$684,728.24	$606,347	$655,922	$638,388
Current Level Services	649,728.24	606,347	655,922	638,388
Modified Level Services	35,000.00	0	0	0
Total Service Costs	$684,728.24	$606,347	$655,922	$638,388

Program Description

The Forensic Science Program which includes the Crime Laboratory, provides for a statewide system of death investigations, forensic science training, scientific criminal investigations in the state, and scientific analyses of specimens submitted by law enforcement officials, coroners and state agencies, as required by section 44-3-301, MCA. The laboratory analyzes blood, breath, and urine samples taken by law enforcement officers in connection with Driving Under the Influence of Alcohol or Drug (DUI) cases (sections 61-8-405 and 44-3-301, MCA). The laboratory also performs drug and alcohol screens for the state Department of Institutions.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

Modification Requests

The budget figures shown above do not include the modification requests. The Executive Budget includes a reserve to fund those Elected Officials' modifications approved by the legislature.

Workload Increase
Trace Evidence Forensic Scientist (1 FTE) -- The Department requests funds to support an additional forensic scientist to analyze trace evidence. The Crime Lab currently has only one forensic scientist who is qualified to analyze trace evidence. The volume of work has increased steadily from 2,048 samples in 1980 to 3,537 samples in 1983. In addition the trace evidence forensic scientist must testify in court and also serve as lab director, which decreases the amount of time which can be devoted to trace analysis. General fund.

Cost: FY 1986 - $41,208 FY 1987 - $32,097

FORENSIC SCIENCE DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.00	14.00	14.00	14.00

Workload Increase
Forensic Scientist DUI Section (1 FTE) -- The Department requests funds to support an additional forensic scientist to analyze urine, blood and mobat samples submitted to the Lab on DUI cases. The number of samples submitted to the Lab for analysis continues to increase. In 1980 2,260 DUI samples were submitted compared to 2,857 samples in 1983. There has also been a significant increase in the number of days that the DUI scientist has been required to testify in court. In 1980 court time was 14 days and in 1983 court time was 84 days. In addition to these duties the Lab must also test and maintain alco-analyzing equipment located throughout the State. Earmarked revenue funds - Alcohol Treatment.

Cost: FY 1986 - $30,616 FY 1987 - $30,017

Workload Increase
Evidence Camera -- The Department requests funds to purchase a quartz illuma camera to photograph evidence. The Laboratory currently photographs approximately 5,000 pieces of evidence yearly. This camera will provide optimal lighting for close-up and macro photography of physical evidence and biological specimen without losing the detail of limited size objects. The camera will assist the scientists in documenting their work accurately, demonstrate their finding to juries and assist in teaching law enforcement officials. General fund.

Cost: FY 1986 - $ 2,500 FY 1987 - $ 0

New Service
Continuing Education -- The Department requests funds to provide technical lab personnel with continued training in their fields of expertise. As Montana's only criminalistics laboratory it is critical that lab personnel be educated in the new techniques and theories of forensic science. General fund.

Cost: FY 1986 - $ 6,340 FY 1987 - $ 6,340

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	46.84	49.00	49.00	49.00
Personal Services	1,162,208.88	1,269,992	1,338,511	1,341,133
Operating Expenses	371,084.86	357,621	332,254	325,534
Equipment	65,080.38	14,220	16,282	38,276
Total Agency Costs	$1,598,374.12	$1,641,833	$1,687,047	$1,704,943
General Fund	1,498,921.02	1,604,859	1,640,419	1,654,024
Federal & Other Spec Rev Fund	99,453.10	36,974	46,628	50,919
Total Funding Costs	$1,598,374.12	$1,641,833	$1,687,047	$1,704,943
Current Level Services	1,516,834.02	1,641,833	1,687,047	1,704,943
Modified Level Services	81,540.10	0	0	0
Total Service Costs	$1,598,374.12	$1,641,833	$1,687,047	$1,704,943

Agency Description

The purpose of the Department of Public Service Regulation is to regulate the public utility, motor carrier, and railroad industries to provide safe, reliable, and adequate services at the lowest achievable cost to the consumers while concurrently providing the regulated industries with a fair and reasonable return on their investment for the services rendered. The department is provided for in sections 2-15-2601 and 69-1-102, MCA. The department operates under one program - Public Service Commission.

Budget Issues

The Governor believes that Elected Officials should be allowed to present their modification requests directly to the legislature, since they - as Elected Officials - have the best knowledge of their priorities for new services.

Therefore, the budget recommendations for Elected Officials programs do not include funds for modification requests. Rather, each modification is described and its cost and source of funding detailed. The Executive Budget includes a reserve to fund those Elected Officials modification requests approved by the legislature.

The current level request reflects the commissioner's efforts to enhance the current level activities in natural gas pipeline safety and railroad safety.

Increased telephone use is required to meet current level activities associated with the divestiture order on International Telephone and Telegraph as well as gas line safety. Telephone increases also reflect the commissioners involvement on various national and state issues related to electrical marketing proposals.

Modification Requests

New Program

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	46.84	49.00	49.00	49.00

The Commission will begin phase II of the data processing plan initiated in FY 1985. Phase II includes case management and data processing capabilities. Costs include $20,400 per year of federal funds from the motor carriers safety program.

Cost: FY 1986 - $154,880 FY 1987 - $158,020

New Program
Continues a budget amended federal funded motor carrier inspection program and increases the current state funded inspection program. The programs inspect commercial carriers in an effort to reduce traffic accidents. FY 1986, 17.00 FTE and FY 1987, 23.00 FTE. General funds and federal funds requested at a 20% - 80% ratio.

Cost: FY 1986 - $572,493 FY 1987 - $801,884

Workload Increase
Additional and continuing hearings, lawsuits and regulatory order require increased legal staff to meet the workload. 1.00 FTE. General funds requested.

Cost: FY 1986 - $ 31,642 FY 1987 - $ 30,522

Workload Increase
Increased workload in the utility rate design program requires an additional economist. 1.00 FTE. General funds requested.

Cost: FY 1986 - $ 30,646 FY 1987 - $ 29,596

Workload Increase
Additional motor carrier enforcement effort is required in northwestern Montana. Added personnel will reduce travel time loss and increase enforcement efforts. 2.00 FTE. General funds requested.

Cost: FY 1986 - $ 83,330 FY 1987 - $ 52,711

Workload Increase
Additional clerical staff is needed to meet the increased workload because of more and longer rate hearings. Additional accounting staff are necessary to meet workload increases due to more employees. 2.00 FTE. General funds requested.
Cost: FY 1986 - $ 36,828 FY 1987 - $ 33,331

Workload Increase
Three pipeline projects are scheduled for the 1987 biennium. Additional consultants are necessary to insure compliance with governmental standards. Funding is 50% state, 50% federal.

Cost: FY 1986 - $ 72,800 FY 1987 - $ 72,800

Workload Increase
Commissioners and staff require periodic training and upgrading in their profession. Specialized schools outside Montana offer many courses which are necessary and valuable to an ever-changing regulatory environment. The Supreme Court has recently

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	46.84	49.00	49.00	49.00

ordered that all attorneys in the state obtain continuing legal education credits on a yearly basis. General funds requested.

Cost: FY 1986 - $ 22,472 FY 1987 - $ 23,820

Workload Increase
The commission frequently receives complaints from consumers that they were unaware of the time and place of public hearings. Legal notices do not adequately alert the public to the commission proceedings. Commercial advertisements are necessary to raise the public awareness of these matters. General funds requested.

Cost: FY 1986 - $ 11,236 FY 1987 - $ 11,910

Workload Increase
Will allow the commission and staff to increase participation in the National Association of Regulatory Utility Commissioners (NARUC). General funds requested.

Cost: FY 1986 - $ 10,000 FY 1987 - $ 10,500

New Program
Will allow the commission to hire consultants when the consumer council declines to develop or is unable to develop a case before the commission or federal entity. General funds requested.

Cost: FY 1986 - $ 50,000 FY 1987 - $ 50,000

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	2.00	2.00	5.00	5.00
Personal Services	59,612.17	62,083	131,598	131,654
Operating Expenses	37,938.10	35,899	48,174	46,167
Equipment	197.40	0	5,000	0
Total Agency Costs	$97,747.67	$97,982	$184,772	$177,821
General Fund	97,747.67	97,982	184,772	177,821
Total Funding Costs	$97,747.67	$97,982	$184,772	$177,821
Current Level Services	97,747.67	97,982	100,437	98,378
Modified Level Services	0.00	0	84,335	79,443
Total Service Costs	$97,747.67	$97,982	$184,772	$177,821

Agency Description

The Board of Public Education, created by Article X, Section 9 of the 1972 Montana Constitution, consists of seven members appointed by the Governor and confirmed by the Senate. The board is charged with exercising "general supervision over the public school system." The board is also designated by statute as the governing board of the Montana School for the Deaf and Blind and the Montana Fire Services Training School (Title 20, chapter 2, MCA).

ADMINISTRATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	2.00	5.00	5.00
Personal Services	59,612.17	62,083	131,598	131,654
Operating Expenses	37,938.10	35,899	48,174	46,167
Equipment	197.40	0	5,000	0
Total Program Costs	$97,747.67	$97,982	$184,772	$177,821
General Fund	97,747.67	97,982	184,772	177,821
Total Funding Costs	$97,747.67	$97,982	$184,772	$177,821
Current Level Services	97,747.67	97,982	100,437	98,378
Modified Level Services	0.00	0	84,335	79,443
Total Service Costs	$97,747.67	$97,982	$184,772	$177,821

Program Description

The Board accredits all schools, certifies all teachers and sets standards for school buses and drivers. The Board's standards are the basis for eligibility for state funds. Also the Board hears cases regarding denial, suspension and revocation of teacher certificates and reviews teacher education programs leading to interstate reciprocity.

Board staff administers Board meetings every four to five weeks, collects reports and reviews policy for consistency with statutes and rules, keeps records of the Board's actions and maintains liaison with the Superintendent of Public Instruction, professional organizations and the public at large.

Budget Issues

Modification Requests

Workload Increase

The present staffing pattern of the Board of Public Education is insufficient to provide the necessary continuity for a state agency which is responsible for setting the standards for one of the larger tax expenditures in the state. Specifically the Board has the need to: (1) make its own independent determination as to the validity of its policies and the adequacy of the reasons for their adoption. The Board needs an attorney to research applicable laws and regulations, to assess liabilities, and provide legal advice; (2) maintain a consistent record of the Board's policy development and implementation. A management analyst is needed to compile and manage the records relating to the development and implementation of policy; (3) meet the scheduled certification hearings, administrative rules publication, monthly meeting agendas, Board minutes, committee proceedings, and response to citizen and educators' inquiries in a timely manner. We are requesting general fund for 3 additional FTE to meet these needs.

Cost: FY 1986 - $ 84,335 FY 1987 - $ 79,443

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	29.14	28.50	30.59	30.59
Personal Services	868,930.24	856,198	935,968	937,537
Operating Expenses	748,344.05	1,255,061	1,272,583	1,312,719
Equipment	9,667.04	3,044	12,500	0
Local Assistance	3,178,240.00	3,297,721	3,494,848	3,646,927
Grants	4,024,442.00	4,298,090	4,747,135	4,860,138
Transfers	95,338,979.00	94,923,411	102,482,752	100,443,795
Total Agency Costs	$104,168,602.33	$104,633,525	$112,945,786	$111,201,116
General Fund	88,471,614.73	86,993,611	94,563,700	92,047,274
State Special Revenue Fund	14,820,455.00	16,082,015	16,760,642	17,485,373
Federal & Other Spec Rev Fund	876,532.60	1,557,899	1,621,444	1,668,469
Total Funding Costs	$104,168,602.33	$104,633,525	$112,945,786	$111,201,116
Current Level Services	104,148,454.33	104,633,525	112,654,851	110,995,284
Modified Level Services	20,148.00	0	290,935	205,832
Total Service Costs	$104,168,602.33	$104,633,525	$112,945,786	$111,201,116

Agency Description

The Commissioner of Higher Education is the chief administrative officer of the Montana University System. Article X, Section 9 of the Montana Constitution provides that the regents appoint the Commissioner and prescribe the powers and duties of the office. The Commissioner's responsibilities include the following: academic planning and curriculum review, budgetary planning and control, provision of legal services to campuses, facilities planning, establishment of labor negotiation policies and procedures, and coordination of community colleges in accordance with state law and regent policies. The Commissioner also administers programs pertaining to student aid.

ADMINISTRATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.60	15.60	15.60	15.60
Personal Services	561,823.85	562,860	585,863	587,075
Operating Expenses	186,654.34	202,000	223,744	204,712
Equipment	1,930.54	1,544	0	0
Total Program Costs	$750,408.73	$766,404	$809,607	$791,787
General Fund	750,408.73	766,404	809,607	791,787
Total Funding Costs	$750,408.73	$766,404	$809,607	$791,787
Current Level Services	750,408.73	766,404	809,607	791,787
Total Service Costs	$750,408.73	$766,404	$809,607	$791,787

Program Description

The staff of the Administration program: provide academic planning and curriculum review; make budgetary recommendations and provide for budgetary review; perform facilities planning and make recommendations; set policies and procedures relating to labor negotiations; maintain and provide legal services for the campuses; coordinate community colleges in accordance with state law and regent policies; and promulgate and review management information systems, including accounting.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

STUDENT ASSISTANCE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Local Assistance	50,000.00	53,000	53,000	56,000
Grants	4,024,442.00	4,298,090	4,747,135	4,860,138
Transfers	0.00	290,790	0	0
Total Program Costs	$4,074,442.00	$4,641,880	$4,800,135	$4,916,138
General Fund	2,387,987.00	2,137,075	2,168,493	2,024,765
State Special Revenue Fund	1,686,455.00	2,294,805	2,421,642	2,681,373
Federal & Other Spec Rev Fund	0.00	210,000	210,000	210,000
Total Funding Costs	$4,074,442.00	$4,641,880	$4,800,135	$4,916,138
Current Level Services	4,074,442.00	4,641,880	4,800,135	4,916,138
Total Service Costs	$4,074,442.00	$4,641,880	$4,800,135	$4,916,138

Program Description

The Student Assistance Program consists of: the Western Interstate Commission on Higher Education (WICHE) Student Exchange Program which provides education opportunities for Montana students in the fields of medicine, dentistry, veterinary medicine, optometry, public health, occupational therapy, podiatry; the cooperative dental education agreement with the University of Minnesota; the State Student Incentive Grant (SSIG) program which provides loan funds to needy students - 50% from federal funds and 50% matching state funds; and the National Direct Student Loan (NDSL) program which provides loan funds to students by the schools matching a basic amount appropriated by the Legislature.

Budget Issues

The components of the proposed budget and the number of student "slots" for individual programs are:

	FY86 Amount	FY86 # Slots	FY87 Amount	FY87 # Slots
WICHE Admin.	$ 53,000		$ 56,000	
WICHE	2,008,100	146	2,009,700	144
WAMI*	1,853,635	80	1,938,938	80
RURAL DENTISTRY	140,400	13	166,500	15
SSIG	385,000		385,000	
NDSL	60,000		60,000	
WORKSTUDY**	300,000	800	300,000	800
	$ 4,800,135		$ 4,916,138	

*Washington, Alaska, Montana and Idaho cooperative agreement.
**Includes only the state share of the funding.

COMMUNITY COLLEGE ASSISTANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Local Assistance	3,128,240.00	3,244,721	3,441,848	3,590,927
Total Program Costs	$3,128,240.00	$3,244,721	$3,441,848	$3,590,927
General Fund	3,128,240.00	3,244,721	3,441,848	3,590,927
Total Funding Costs	$3,128,240.00	$3,244,721	$3,441,848	$3,590,927
Current Level Services	3,128,240.00	3,244,721	3,441,848	3,590,927
Total Service Costs	$3,128,240.00	$3,244,721	$3,441,848	$3,590,927

Program Description

The Community College Program distributes funds appropriated by the legislature for the support of Montana's three community colleges: Miles City Community College, Flathead Valley Community College, and Dawson Community College. The 1981 Legislature implemented a funding formula developed by the Legislative Finance Committee, which is addressed in sections 20-15-310 and 20-15-312, MCA.

Budget Issues

The following factors were used to generate the total unrestricted budgets for the community college system and the recommended proportion of General Fund support:

	FY86	FY87
1) Student FTE Projections	1,847	1,927
2) Cost per FTE Student	$3,516	$3,516
3) Percent of General Fund	53%	53%

The distribution of student FTE, total unrestricted budgets and General Fund support among the three community colleges is as follows:

FY86	FTE	TOTAL BUDGET	GENERAL FUND
Dawson Community College	500	$ 1,758,000	$ 931,740
Flathead Valley Community College	885	3,111,660	1,649,180
Miles Community College	462	1,624,392	860,928
	1,847	6,494,052	3,441,848

FY87	FTE	TOTAL BUDGET	GENERAL FUND
Dawson Community College	545	$ 1,916,220	$ 1,015,597
Flathead Valley Community College	920	3,234,720	1,714,402
Miles Community College	462	1,624,392	860,928
	1,927	$ 6,775,332	$ 3,590,927

TALENT SEARCH BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	6.00	7.00	6.00	6.00
Personal Services	110,179.69	124,135	116,062	116,113
Operating Expenses	31,616.31	15,865	46,299	46,751
Total Program Costs	$141,796.00	$140,000	$162,361	$162,864
Federal & Other Spec Rev Fund	141,796.00	140,000	162,361	162,864
Total Funding Costs	$141,796.00	$140,000	$162,361	$162,864
Current Level Services	128,400.00	140,000	162,361	162,864
Modified Level Services	13,396.00	0	0	0
Total Service Costs	$141,796.00	$140,000	$162,361	$162,864

Program Description

Talent Search is a federally funded program to provide career and financial aid counseling to students who are either low-income, physically handicapped, or culturally deprived. The program's objectives are to decrease the high school dropout rate in targeted high schools and to increase enrollment of disadvantaged students in Montana's post-secondary institutions.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

MONTANA CAREER INFORMATION SYS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	4.64	3.00	5.09	5.09
Personal Services	101,129.87	79,283	115,597	115,644
Operating Expenses	64,441.13	110,717	49,741	50,328
Equipment	1,135.00	0	3,000	0
Total Program Costs	$166,706.00	$190,000	$168,338	$165,972
Federal & Other Spec Rev Fund	166,706.00	190,000	168,338	165,972
Total Funding Costs	$166,706.00	$190,000	$168,338	$165,972
Current Level Services	166,706.00	190,000	143,385	141,008
Modified Level Services	0.00	0	24,953	24,964
Total Service Costs	$166,706.00	$190,000	$168,338	$165,972

Program Description

The Montana Learning Services Program was established by budget amendment in FY82 to provide educational information, guidance, counseling, and referral service to all individuals in the State of Montana. This program was renamed Montana Career Information System during the 1985 biennium.

Budget Issues

Modification Request

Increased Workload
The Board of Regents approved an addition of 1.09 FTE to this program through budget amendments in fiscal years 1984 and 1985.

Cost: FY 1986 - $ 24,953 FY 1987 - $ 24,964

COMMISSIONERS APPROP DISTRIB BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Transfers	95,338,979.00	94,632,621	102,482,752	100,443,795
Total Program Costs	$95,338,979.00	$94,632,621	$102,482,752	$100,443,795
General Fund	82,204,979.00	80,845,411	88,143,752	85,639,795
State Special Revenue Fund	13,134,000.00	13,787,210	14,339,000	14,804,000
Total Funding Costs	$95,338,979.00	$94,632,621	$102,482,752	$100,443,795
Current Level Services	95,338,979.00	94,632,621	102,256,548	100,303,101
Modified Level Services	0.00	0	226,204	140,694
Total Service Costs	$95,338,979.00	$94,632,621	$102,482,752	$100,443,795

Program Description

The Distribution Program serves as the vehicle for transfer of general fund and six mill levy fund appropriations to all units of the Montana University System.

Budget Issues

Modification Requests

New Services
All appropriated funds for two system-wide projects will be transferred from the Commissioner's Office to the individual units in the following total amounts:

Hazardous Materials

Cost: FY 1986 - $176,752 FY 1987 - $ 91,242

Remote Job Entry

Cost: FY 1986 - $ 49,452 FY 1987 - $ 49,452

GUARANTEED STUDENT LOAN PROGRA BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	2.90	2.90	3.90	3.90
Personal Services	92,590.83	89,920	118,446	118,705
Operating Expenses	462,086.27	926,479	952,799	1,010,928
Equipment	6,601.50	1,500	9,500	0
Total Program Costs	$561,278.60	$1,017,899	$1,080,745	$1,129,633
Federal & Other Spec Rev Fund	561,278.60	1,017,899	1,080,745	1,129,633
Total Funding Costs	$561,278.60	$1,017,899	$1,080,745	$1,129,633
Current Level Services	561,278.60	1,017,899	1,040,967	1,089,459
Modified Level Services	0.00	0	39,778	40,174
Total Service Costs	$561,278.60	$1,017,899	$1,080,745	$1,129,633

Program Description

The staff of the Guaranteed Student Loan Program provide administrative coordination of the state's authorized student loan program. The program began July 1, 1980, to make improved opportunities for education available to students by guaranteeing loans from private lending institutions.

Budget Issues

Modification Request

New Service
A base adjustment was approved through budget amendment by the Board of Regents to add a Lender Reviewer position to this program. The position was filled in fiscal year 1985.

Cost: FY 1986 - $ 39,778 FY 1987 - $ 40,174

The Executive Budget recommendation for the Montana University System was derived by using both the traditional incremental budgeting process and an adaptation of the formula budget method developed by the Legislative Finance Committee in 1982. The formula method was used in the two programs that are directly influenced by student enrollment, Instruction and Support. The Support program combines three subprograms used by the university units: Academic Support, Institutional Services and Student Services. The programs that were budgeted by use of the incremental method are: Operation and Maintenance of Physical Plant, Organized Research, Public Service, the Bureau of Mines and Geology, and Scholarships and Fellowships. Three university system agencies were also budgeted according to the incremental method: the Agricultural Experiment Station, the Cooperative Extension Service and the Forestry and Conservation Experiment Station.

Incremental Budget Method

Current level budgets were prepared by inflating adjusted FY84 costs. Various inflation factors were used in this process.

Enrollment Projections

Because the formula is enrollment-driven, projected enrollments for the 1987 biennium are critical to the budget process. In June, 1984, the university system's Enrollment Task Force model produced statistically-derived enrollment projections for Fall 1984 (FY85), Fall 1985 (FY86) and Fall 1986 (FY87). The Task Force members conferred and decided to increase the enrollments projected by the model at three of the six units to account for program changes. In the Fall of 1984, actual student headcount was down from the previous year at all six formula-budgeted units. Full-time equivalent students (FTE's) and the student enrollment figures used in the formula calculations, the fiscal year full-time equivalent student (FYFTE) enrollment, were down in all units except Northern Montana College. The Enrollment Task Force's statistical model projections, the Enrollment Task Force adjustment to the model, and actual headcount enrollments for Fall 1984 enrollment are compared below:

FALL HEADCOUNT STUDENT ENROLLMENT PROJECTIONS AND ACTUAL ENROLLMENT

UNIT	ETF Model Projections	Task Force Adjusted	Actual
MSU	11,394	11,450*	11,035
UM	9,594	9,594	9,213
EMC	4,288	4,500*	4,207
NMC	1,795	1,850*	1,812
WMC	956	956	894
TECH	2,363	2,363	2,129
	30,390	30,713	29,290

* Enrollment Task Force adjustment higher than model projections.

The model projected system-wide enrollment 4% higher than the actual enrollment, with individual unit discrepancies ranging from 1% at Northern Montana College to 10% at Montana College of Mineral Science and Technology. The Task Force adjusted projections were off by 5% overall, with individual discrepancies ranging from 2% to 10%.

The fiscal year full-time equivalent (FYFTE) student enrollment, which is derived from the student credit hour enrollment, shows a decline over Fall 1983 (FY84) enrollment for all units except Western and over Fall 1982 (FY83) for all units expect Western and Northern Montana Colleges. A comparison of the actual FYFTE and the FYFTE used in the past applications of the formula is presented below:

	FY 83			FY 84			FY 85		
UNIT	ACTUAL FYFTE	BUDGETED FYFTE	DIFF. (UNDER)	ACTUAL FYFTE	BUDGETED FYFTE	DIFF. (UNDER)	ACTUAL FYFTE	BUDGETED FYFTE	DIFF. (UNDER)
MSU	10,691	9,962	(729)	10,789	10,738	(51)	10,364	10,693	329
UM	8,458	8,052	(406)	8,431	8,283	(148)	8,144	8,283	139
EMC	3,494	3,010	(484)	3,538	3,551	13	3,422	3,597	175
NMC	1,663	1,297	(366)	1,745	1,623	(122)	1,725	1,641	(84)
WMC	859	794	(65)	882	867	(15)	861	864	3
TECH	2,048	1,590	(458)	2,090	2,148	58	1,931	2,373	442
	27,213	24,705	(2,508)	27,475	27,210	(265)	26,447	27,451	1,004

A comparison of actual-to-budgeted FYFTE shows that the Montana University System has been "underbudgeted" for its actual FYFTE enrollment in the 1983 biennium, slightly underbudgeted in the first year of the 1985 biennium and "overbudgeted" in the last year of the current biennium. It is useful to examine the relationship between the total FYFTE at each unit and the number of "under-" or "over-budgeted" FYFTE.

UNIT	TOTAL FYFTE FY83-FY85	DIFF BUDGET/ ACTUAL	% TOTAL FYFTE	FYFTE FY85	DIFF BUDGET/ ACTUAL	% FY85 FYFTE
MSU	31,828	(435)	-1%	10,364	329	3%
UM	25,033	(415)	-2%	8,144	139	2%
EMC	10,454	(296)	-3%	3,422	175	5%
NMC	5,133	(572)	-11%	1,725	(84)	-5%
WMC	2,602	(77)	-3%	861	3	0%
TECH	6,069	42	1%	1,931	442	23%
	81,119	(1,753)		26,447	1,004	4%

The university system is "overbudgeted" by 4% going into the 1987 biennium, with a wide discrepancy existing at Montana College of Mineral Science and Technology. The Board of Regents has the authority to reallocate funds within the system.

Due to the difficulties experienced by the units in responding quickly to a period of declining growth and actual decline in student enrollments, the Executive Budget funds the formula programs on the basis of the last known actual FYFTE enrollments before the 1985 Legislature convenes. Therefore, the Executive Budget uses FY85 actual FYFTE student enrollment.

Formula Budget

Essentially, the Legislative Finance Committee's formula budget process takes into consideration student enrollment, type of coursework and resultant faculty demand,

and a cost-per-student for the academic, institutional and student support services provided by the units.

The Executive Budget contains two modifications to the calculation of the formula: (1) inclusion of the previous years' "critical area adjustment" in the base faculty salary amount; and (2) use of the university system's FY85 Operational Plans to derive "current level" support costs-per-student by unit.

The "critical area adjustment" was appropriated to assist units in recruiting and retaining faculty in critical course areas where Montana's level of compensation does not compete favorably with other states and industry. The additional allocation became part of the faculty salary contracts and is, in effect, part of the faculty salary base at the units involved. Therefore, the average critical area adjustment per FTE faculty was calculated and was incorporated in the appropriated salary base for the 1985 biennium for the purposes of budgeting the 1987 biennium.

Support costs-per-student were originally designed to provide comparability of support subsidization in the university system with its "peer" institutions. The "comparable" support costs on which the formula for the Support program is based were initially set in 1980. The Executive Budget used FY85 OP PLANS distributions of personal services and operating costs within the appropriated level of support to derive an updated current level support costs-per-student. No comparison with peers is addressed.

It is the Executive recommendation that both the Instruction and Support programs be funded at 100% of the formula using FY85 actual FYFTE student enrollment for the biennium.

Tuition

The tuition levels proposed by the Office of the Commissioner of Higher Education to the Board of Regents in "Tuition Survey Update - 1984-85" of October 9, 1984, were used to estimate tuition revenues and the costs of Scholorships and Fellowships for 1987 biennium enrollments set at FY85 actual FYFTE student enrollment. Tuition and Fee revenue at that level is expected to account for 19.5% of the total current unrestricted fund revenues for the units of the university system.

Modifications

The Executive Budget includes limited modifications for the units of the university system. It recommends acceptance of the additional cost of new space at three units, the adoption of one system-wide project to contain and dispose of hazardous materials and toxic substances, and the subsidization of main computer costs for university system use of the Statewide Budgeting and Accounting System (SBAS). Funding of the Pesticide Education program at the Cooperative Extension Service is also recommended.

Funding Schedule

The portion of the university system's total budget that is appropriated are the current unrestricted accounts. The following table provides funding detail for each unit's current unrestricted fund. INDIRECT COSTS reflect recommended appropriation of 70% of indirect cost recoveries. This will allow 30% of indirect cost recoveries to be used for expanded research efforts at the units.

FUNDING SCHEDULE
FISCAL YEAR 1986

UNIT	GENERAL FUND	MILLAGE	TUITION/FEES	INDIRECT COSTS	OTHER*	TOTAL
MSU	$30,293,903	$ 5,630,638	$ 9,994,510	$ 935,000	$ 255,000	$ 46,944,051
UM	$23,396,929	$ 4,400,066	$ 8,433,955	$ 382,500	$ 100,000	$ 36,645,950
EMC	$ 9,337,191	$ 1,846,576	$ 2,872,351	$ 85,000	$ 40,000	$ 14,166,118
NMC	$ 5,801,409	$ 910,670	$ 1,297,584	$ 12,000	$ 4,000	$ 8,023,545
WMC	$ 2,820,502	$ 460,282	$ 725,246	$ 14,025	$ 8,100	$ 4,025,680
TECH	$ 5,926,460	$ 1,090,768	$ 1,919,500	$ 370,429	$ 15,000	$ 9,256,787
Subsum	$77,576,394	$14,339,000	$25,243,146	$1,798,954	$ 422,100	$119,062,131
AES	$ 6,367,559	$ 0	$ 0	$ 0	$2,907,090	$ 9,274,649
CES	$ 2,143,911	$ 0	$ 0	$ 0	$1,974,293	$ 4,118,204
BM&G	$ 1,398,735	$ 0	$ 0	$ 0	$ 60,000	$ 1,458,735
FCES	$ 657,153	$ 0	$ 0	$ 0	$ 0	$ 657,153
Subsum	$10,567,358	$ 0	$ 0	$ 0	$4,941,383	$ 15,508,741
TOTAL	$88,143,752	14,339,000	$25,243,146	$1,798,954	$5,363,483	$134,570,872

FISCAL YEAR 1987

UNIT	GENERAL FUND	MILLAGE	TUITION/FEES	INDIRECT COSTS	OTHER*	TOTAL
MSU	$29,352,522	$ 5,813,235	$10,824,667	$ 935,000	$ 255,000	$ 46,905,424
UM	$22,587,727	$ 4,542,755	$ 9,079,603	$ 382,500	$ 100,000	$ 36,580,085
EMC	$ 9,009,942	$ 1,906,459	$ 3,143,607	$ 85,000	$ 40,000	$ 14,160,008
NMC	$ 5,636,383	$ 940,202	$ 1,411,323	$ 12,000	$ 4,000	$ 8,000,378
WMC	$ 2,700,673	$ 475,209	$ 791,969	$ 14,025	$ 8,100	$ 3,985,851
TECH	$ 5,876,384	$ 1,126,140	$ 2,069,800	$ 388,647	$ 15,000	$ 9,407,450
Subsum	$75,163,631	$14,804,000	$27,320,969	$1,817,172	$ 422,100	$119,039,196
AES	$ 6,319,150	$ 0	$ 0	$ 0	$2,922,431	$ 9,241,581
CES	$ 2,087,385	$ 0	$ 0	$ 0	$2,033,522	$ 4,120,907
BM&G	$ 1,369,402	$ 0	$ 0	$ 0	$ 65,000	$ 1,461,402
FCES	$ 673,227	$ 0	$ 0	$ 0	$ 0	$ 673,227
Subsum	$10,476,164	$ 0	$ 0	$ 0	$5,020,953	$ 15,497,117
TOTAL	$85,639,795	14,804,000	$27,320,969	$1,817,172	$5,443,053	$134,536,313

* Reflects the removal of previously appropriated bond income and interest.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	909.86	918.66	927.32	927.32
Personal Services	24,737,304.15	24,837,392	27,540,309	27,540,309
Operating Expenses	7,809,736.29	8,416,287	7,933,398	7,912,533
Equipment	1,407,497.81	1,727,273	1,172,243	1,172,243
Capital Outlay	36,086.74	0	0	0
Total Agency Costs	$33,990,624.99	$34,980,952	$36,645,950	$36,625,085
Current Unrestricted Fund	33,990,624.99	34,980,952	36,645,950	36,625,085
Total Funding Costs	$33,990,624.99	$34,980,952	$36,645,950	$36,625,085
Current Level Services	33,990,624.99	34,980,952	36,608,027	36,587,162
Modified Level Services	0.00	0	37,923	37,923
Total Service Costs	$33,990,624.99	$34,980,952	$36,645,950	$36,625,085

Agency Description

The University of Montana was chartered by the Montana Legislature in 1893. It now offers more than 40 major programs of study, about 15 inter-disciplinary programs at the undergraduate level, master's degree programs in more than 40 fields, and the Ph.D degree in ten: botany, chemistry (including biochemistry), forestry, geology, history, mathematics, microbiology, psychology, sociology and zoology. It also offers the Doctor of Education degree and a graduate professional degree (Juris Doctor) in law.

The core of the university is its College of Arts and Sciences. Complementing the college's programs are the graduate school and seven professional schools: Business Administration, Education, Fine Arts, Forestry, Journalism, Pharmacy and Allied Health Sciences, and Law.

In addition to research facilities within the schools and departments, the university maintains a number of specialized laboratories, institutes and research facilities: the Yellow Bay Biological Station; Montana Forest and Conservation Experiment Station; Animal Behavior Laboratory; Institute for Social Research; Lubrecht Forest facilities for research and teaching; Wood Chemistry Laboratory; Bureau of Government Research; Bureau of Business and Economic Research; Bureau of Educational Research and Services; Stella Duncan Memorial Institute for Biomedical Research; Water Resources Research Program; Geology Field and Research Station at Dillon; the Speech, Hearing and Language Clinic; Montana Criminal Law Information Research Center and Montana Defender Project; Earthquake Laboratory; the Computer Center; the Environmental Studies Laboratory of the Botany Department; and the Wilderness Institute.

The University of Montana has primary responsibility for graduate instruction in business, the arts, humanities, social science and behavioral science, and shares this responsibility in the physical and biological sciences and the allied health professions. The programs in law, forestry, pharmacy, journalism, physical therapy and communication disorders are unique in the University System.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	909.86	918.66	927.32	927.32

Policy Issues

The University of Montana wishes to isolate the program expenditures associated with special fees charged of Law School and School of Pharmacy students for courses in those programs and to provide for those expenditures within the Instruction program without reducing formula support for total Instruction by a like amount. This amounts to $174,000 of fees and costs each year of the 1987 biennium.

The Attorney General has issued an opinion that:

> The Legislature may not appropriate, by bill, revenue generated from sources pledged to cover university system revenue bond requirements, when the revenue obtained from these sources exceeds the bond requirements. (Volume No. 40, Opinion No. 67, 18 September 1984)

It is recommended that the interest and income of the University of Montana diverted to general operations be returned to the service of bond debt. Current level General Fund is increased by $210,000 each year of the 1987 Biennium.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	575.79	542.10	563.16	563.16
Personal Services	16,766,231.47	16,450,147	18,208,256	18,208,256
Operating Expenses	1,433,981.31	1,271,291	930,859	930,859
Equipment	162,263.92	323,064	103,429	103,429
Total Program Costs	$18,362,476.70	$18,044,502	$19,242,544	$19,242,544
Current Unrestricted Fund	18,362,476.70	18,044,502	19,242,544	19,242,544
Total Funding Costs	$18,362,476.70	$18,044,502	$19,242,544	$19,242,544
Current Level Services	18,362,476.70	18,044,502	19,242,544	19,242,544
Total Service Costs	$18,362,476.70	$18,044,502	$19,242,544	$19,242,544

Program Description

The objective of the Instruction Program is to provide educational activities directed primarily at the production of credits which satisfy the various curricula requirements leading toward a post-secondary degree. The category also includes expenditures for academic administration where the primary assignment is administration (academic deans).

ORGANIZED RESEARCH BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	10.87	11.00	11.15	11.15
Personal Services	263,253.00	286,781	278,940	278,940
Operating Expenses	158,450.75	107,127	119,993	121,232
Equipment	63,630.72	34,764	3,402	3,402
Total Program Costs	$485,334.47	$428,672	$402,335	$403,574
Current Unrestricted Fund	485,334.47	428,672	402,335	403,574
Total Funding Costs	$485,334.47	$428,672	$402,335	$403,574
Current Level Services	485,334.47	428,672	402,335	403,574
Total Service Costs	$485,334.47	$428,672	$402,335	$403,574

Program Description

This program includes all funds expended for activities specifically organized for research purposes and commissioned either by an agency outside of the institution or separately budgeted by an organizational unit within the institution.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

PUBLIC SERVICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.78	5.57	5.76	5.76
Personal Services	146,311.00	138,722	147,540	147,540
Operating Expenses	42,731.87	58,022	43,798	39,391
Equipment	0.00	1,000	0	0
Total Program Costs	$189,042.87	$197,744	$191,338	$186,931
Current Unrestricted Fund	189,042.87	197,744	191,338	186,931
Total Funding Costs	$189,042.87	$197,744	$191,338	$186,931
Current Level Services	189,042.87	197,744	191,338	186,931
Total Service Costs	$189,042.87	$197,744	$191,338	$186,931

Program Description

The objective of the Public Service Program is to assist the community and state in community planning and development, urban planning, professional certification, natural resources, business, education, agriculture, industry, health and recreation. This program includes all funds budgeted specifically for extension and public service and expended for activities established primarily to provide noninstructional services to groups outside the institution. Such activities include seminars, projects, and support of various organizations established to provide services to the community.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

OPERATION & MAINT OF PLANT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	57.42	59.15	61.15	61.15
Personal Services	1,156,226.42	1,194,949	1,230,661	1,230,661
Operating Expenses	3,118,327.77	3,680,760	3,230,629	3,231,382
Equipment	232,750.64	277,112	30,961	30,961
Capital Outlay	36,086.74	0	0	0
Total Program Costs	$4,543,391.57	$5,152,821	$4,492,251	$4,493,004
Current Unrestricted Fund	4,543,391.57	5,152,821	4,492,251	4,493,004
Total Funding Costs	$4,543,391.57	$5,152,821	$4,492,251	$4,493,004
Current Level Services	4,543,391.57	5,152,821	4,462,686	4,463,439
Modified Level Services	0.00	0	29,565	29,565
Total Service Costs	$4,543,391.57	$5,152,821	$4,492,251	$4,493,004

Program Description

This program includes all expenditures of current funds for the operation and maintenance of the physical plant, except for amounts charged to auxiliary enterprises and hospitals. It does not include expenditures made from the institutional plant fund accounts. It includes all expenditures for operations established to provide services and maintenance related to campus grounds and facilities, utilities, property insurance, fire protection, and similar items.

Budget Issues

Modification Requests

New Services
The new Performing Arts and Radio/Television Building is scheduled for completion in the fall quarter of 1984, FY85. The 1983 Legislative Session provided base funding for eleven months of operations. This modification provides funding for .24 FTE each year and operations costs for the remaining month of annual operation.

Cost: FY 1986 - $ 15,125 FY 1987 - $ 15,125

The University of Montana's share of a system-wide effort to achieve compliance with the federal Resource Conservation and Recovery Act (RCRA) and the State occupational health and safety laws in the removal of toxic substances or hazardous wastes involves the addition of .5 FTE per year and supporting operational costs.

Cost: FY 1986 - $ 14,440 FY 1987 - $ 14,440

SCHOLARSHIPS & FELLOWSHIPS PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	725,535.35	783,650	881,201	947,470
Total Program Costs	$725,535.35	$783,650	$881,201	$947,470
Current Unrestricted Fund	725,535.35	783,650	881,201	947,470
Total Funding Costs	$725,535.35	$783,650	$881,201	$947,470
Current Level Services	725,535.35	783,650	881,201	947,470
Total Service Costs	$725,535.35	$783,650	$881,201	$947,470

Program Description

This program applies only to funds given in the form of outright grants and trainee stipends to individuals enrolled in formal course work. Scholarships include: outright grants-in-aid; trainee stipends; tuition and fee waivers; and prizes to undergraduate students. Fellowships include outright grants-in-aid and trainee stipends to graduate students, but not funds for which services to the institution must be rendered (e.g., payments for teaching).

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	260.00	300.84	286.10	286.10
Personal Services	6,405,282.26	6,766,793	7,674,912	7,674,912
Operating Expenses	2,330,709.24	2,515,437	2,726,918	2,642,199
Equipment	948,852.53	1,091,333	1,034,451	1,034,451
Total Program Costs	$9,684,844.03	$10,373,563	$11,436,281	$11,351,562
Current Unrestricted Fund	9,684,844.03	10,373,563	11,436,281	11,351,562
Total Funding Costs	$9,684,844.03	$10,373,563	$11,436,281	$11,351,562
Current Level Services	9,684,844.03	10,373,563	11,427,923	11,343,204
Modified Level Services	0.00	0	8,358	8,358
Total Service Costs	$9,684,844.03	$10,373,563	$11,436,281	$11,351,562

Program Description

The Support Program includes funds for activities designed to support three functions of the institution: academic programs, student services and administrative services.

Academic support - These activities include the retention, preservation and display of materials and the provision of services that directly assist the academic functions of the institution. This category includes libraries, museums and galleries, audio/visual services, academic administration and personnel development, and course and curriculum development.

Student services - These activities include admissions, registrar activities, counseling and career guidance, helping students obtain financial aid, student admissions and records, and supplementary educational services.

Administrative services - These activities include the operational support for the day-to-day functioning of the institution and include executive and fiscal management, general administrative services, logistical services, and community relations.

Budget Issues

Modification Request

Funding Change
Remote Job Entry (RJE), computer processing and equipment charges for the University System's use of CICS and SBAS document transmissions have been absorbed by the Accounting Division of the Department of Administration. The Department has indicated that it will no longer subsidize those activities for the units of the University System. The University of Montana's share of those costs is:

Cost: FY 1986 - $ 8,358 FY 1987 - $ 8,358

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	1,212.30	1,208.24	1,294.62	1,295.68
Personal Services	32,971,630.25	34,486,224	36,585,709	36,605,652
Operating Expenses	8,373,119.34	8,900,271	8,963,445	9,074,125
Equipment	1,536,481.94	1,382,469	1,384,805	1,325,555
Capital Outlay	228,518.55	0	0	0
Debt Service	10,092.72	0	10,092	10,092
Total Agency Costs	$43,119,842.80	$44,768,964	$46,944,051	$47,015,424
Current Unrestricted Fund	43,119,842.80	44,768,964	46,944,051	47,015,424
Total Funding Costs	$43,119,842.80	$44,768,964	$46,944,051	$47,015,424
Current Level Services	43,119,842.80	44,768,964	46,661,545	46,663,813
Modified Level Services	0.00	0	282,506	351,611
Total Service Costs	$43,119,842.80	$44,768,964	$46,944,051	$47,015,424

Agency Description

Montana State University was founded in 1893 as the Agricultural College of the State of Montana.

Instruction leading to the bachelor's degree is offered in 45 fields, with graduate instruction in 34 fields at the master's level and in 19 fields at the doctoral level. The academic program emphasizes the professions of agriculture, architecture, business, engineering, education and nursing, along with strong support from the arts, humanities, biological, physical and social sciences. Degree programs in biological, physical and social sciences are offered and in addition contribute significantly to the professional curricula. The university has a major role in the integration and development of health professional education and research. The professional programs in agriculture, nursing, architecture and medicine are unique in the University System.

The research programs and specialized facilities of the university include the Agricultural Experiment Stations at eight locations in the state; the Engineering Experiment Station; Computing Center; Museum of the Rockies; Institute of Applied Research; Foothills Nature Area; Statistical Center; Montana University Joint Water Resources Research Center; and the Bureau of Educational Research and Field Services. Major research areas include agriculture, engineering, and the biomedical and physical sciences with large programs in land reclamation and magnetohydrodynamics (MHD).

The Cooperative Extension Service is attached to the university. Financial support for its operation comes from county, state and federal governments. County agents and specialists channel information to Montanans to aid in solving home, farm and community problems. The Continuing Education Program extends the educational facilities of the university to the citizens of the state by providing off-campus instruction in the form of courses, institutes and conferences for individuals not regularly enrolled at Montana State University.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	1,212.30	1,208.24	1,294.62	1,295.68

Policy Issue

The Attorney General has issued an opinion that:

> The Legislature may not appropriate, by bill, revenue generated from sources pledged to cover university system revenue bond requirements, when the revenue obtained from these sources exceeds the bond requirements. (Volume No. 40, Opinion No. 67, 18 September 1984)

It is recommended that the interest and income of Montana State University diverted to general operations be returned to the service of bond debt. Current level General Fund is increased by $410,000 each year of the 1987 Biennium.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	736.87	734.84	778.28	778.28
Personal Services	21,884,111.70	22,214,083	23,762,918	23,762,918
Operating Expenses	2,393,411.80	2,134,666	2,121,511	2,121,511
Equipment	306,596.93	240,458	262,209	262,209
Capital Outlay	5,725.65	0	0	0
Total Program Costs	$24,589,846.08	$24,589,207	$26,146,638	$26,146,638
Current Unrestricted Fund	24,589,846.08	24,589,207	26,146,638	26,146,638
Total Funding Costs	$24,589,846.08	$24,589,207	$26,146,638	$26,146,638
Current Level Services	24,589,846.08	24,589,207	26,146,638	26,146,638
Total Service Costs	$24,589,846.08	$24,589,207	$26,146,638	$26,146,638

Program Description

The objective of the Instruction Program is to provide educational activities directed primarily at the production of credits which satisfy the various curricula requirements leading toward a post-secondary degree. The category also includes expenditures for academic administration where the primary assignment is administration (academic deans).

ORGANIZED RESEARCH BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	21.36	21.07	21.07	21.07
Personal Services	517,779.67	532,342	497,071	497,071
Operating Expenses	37,158.68	31,564	24,267	24,430
Equipment	26,266.71	7,416	0	0
Total Program Costs	$581,205.06	$571,322	$521,338	$521,501
Current Unrestricted Fund	581,205.06	571,322	521,338	521,501
Total Funding Costs	$581,205.06	$571,322	$521,338	$521,501
Current Level Services	581,205.06	571,322	521,338	521,501
Total Service Costs	$581,205.06	$571,322	$521,338	$521,501

Program Description

This program includes all funds expended for activities specifically organized for research purposes and commissioned either by an agency outside of the institution or separately budgeted by an organizational unit within the institution.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

PUBLIC SERVICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.23	.29	.29	.29
Personal Services	7,103.39	8,790	6,819	6,819
Operating Expenses	2,533.49	1,905	2,529	2,529
Total Program Costs	$9,636.88	$10,695	$9,348	$9,348
Current Unrestricted Fund	9,636.88	10,695	9,348	9,348
Total Funding Costs	$9,636.88	$10,695	$9,348	$9,348
Current Level Services	9,636.88	10,695	9,348	9,348
Total Service Costs	$9,636.88	$10,695	$9,348	$9,348

Program Description

The objective of the Public Service Program is to assist the community and state in community planning and development, urban planning, professional certification, natural resources, business, education, agriculture, industry, health and recreation. This program includes all funds budgeted specifically for extension and public service and expended for activities established primarily to provide noninstructional services to groups outside the institution. Such activities include seminars, projects, and support of various organizations established to provide services to the community.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

OPERATION & MAINT OF PLANT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	80.47	80.08	86.40	87.46
Personal Services	1,561,309.14	1,903,497	1,616,176	1,636,119
Operating Expenses	2,668,574.88	3,188,208	3,140,738	3,249,439
Equipment	129,280.93	77,010	59,250	0
Capital Outlay	192,557.12	0	0	0
Debt Service	10,092.72	0	10,092	10,092
Total Program Costs	$4,561,814.79	$5,168,715	$4,826,256	$4,895,650
Current Unrestricted Fund	4,561,814.79	5,168,715	4,826,256	4,895,650
Total Funding Costs	$4,561,814.79	$5,168,715	$4,826,256	$4,895,650
Current Level Services	4,561,814.79	5,168,715	4,551,161	4,551,450
Modified Level Services	0.00	0	275,095	344,200
Total Service Costs	$4,561,814.79	$5,168,715	$4,826,256	$4,895,650

Program Description

This program includes all expenditures of current funds for the operation and maintenance of the physical plant, except for amounts charged to auxiliary enterprises and hospitals. It does not include expenditures made from the institutional plant fund accounts. It includes all expenditures for operations established to provide services and maintenance related to campus grounds and facilities, utilities, property insurance, fire protection, and similar items.

Budget Issues

Modification Requests

New Services
Construction of the Controlled Environment Facility is scheduled for first-phase completion in January, 1986, and for final completion in August, 1986. This modification provides 1.60 FTE in FY86 and 2.66 FTE in FY87 as well as utilities and operations costs.

Cost: FY 1986 - $168,583 FY 1987 - $296,938

Montana State University's share of a system-wide effort to achieve compliance with the federal Resource Conservation and Recovery Act (RCRA) and the State occupational health and safety laws in the removal of toxic substances or hazardous wastes involves the addition of 1.33 FTE each year, operational support, and funds to construct new storage space and to contribute to the completion of the waste processing lab.

Cost: FY 1986 - $106,512 FY 1987 - $ 47,262

SCHOLARSHIPS & FELLOWSHIPS PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	742,293.50	896,072	940,050	1,019,579
Total Program Costs	$742,293.50	$896,072	$940,050	$1,019,579
Current Unrestricted Fund	742,293.50	896,072	940,050	1,019,579
Total Funding Costs	$742,293.50	$896,072	$940,050	$1,019,579
Current Level Services	742,293.50	896,072	940,050	1,019,579
Total Service Costs	$742,293.50	$896,072	$940,050	$1,019,579

Program Description

This program applies only to funds given in the form of outright grants and trainee stipends to individuals enrolled in formal course work. Scholarships include: outright grants-in-aid; trainee stipends; tuition and fee waivers; and prizes to undergraduate students. Fellowships include outright grants-in-aid and trainee stipends to graduate students, but not funds for which services to the institution must be rendered (e.g., payments for teaching).

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	373.37	371.96	408.58	408.58
Personal Services	9,001,326.35	9,827,512	10,702,725	10,702,725
Operating Expenses	2,529,146.99	2,647,856	2,734,350	2,656,637
Equipment	1,074,337.37	1,057,585	1,063,346	1,063,346
Capital Outlay	30,235.78	0	0	0
Total Program Costs	$12,635,046.49	$13,532,953	$14,500,421	$14,422,708
Current Unrestricted Fund	12,635,046.49	13,532,953	14,500,421	14,422,708
Total Funding Costs	$12,635,046.49	$13,532,953	$14,500,421	$14,422,708
Current Level Services	12,635,046.49	13,532,953	14,493,010	14,415,297
Modified Level Services	0.00	0	7,411	7,411
Total Service Costs	$12,635,046.49	$13,532,953	$14,500,421	$14,422,708

Program Description

The Support Program includes funds for activities designed to support three functions of the institution: academic programs, student services and administrative services.

Academic support - These activities include the retention, preservation and display of materials and the provision of services that directly assist the academic functions of the institution. This category includes libraries, museums and galleries, audio/visual services, academic administration and personnel development, and course and curriculum development.

Student services - These activities include admissions, registrar activities, counseling and career guidance, helping students obtain financial aid, student admissions and records, and supplementary educational services.

Administrative services - These activities include the operational support for the day-to-day functioning of the institution and include executive and fiscal management, general administrative services, logistical services, and community relations.

Budget Issues

Modification Request

Funding Change
Remote Job Entry (RJE), computer processing and equipment charges for the University System's use of CICS and SBAS document transmissions will no longer be subsidized by the Accounting Division of the Department of Administration. Montana State University's share of those costs is:

Cost: FY 1986 - $ 7,411 FY 1987 - $ 7,411

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	296.18	326.53	297.72	300.72
Personal Services	7,199,479.78	9,007,313	7,581,781	7,634,237
Operating Expenses	2,666,340.80	2,073,790	2,578,438	2,692,512
Equipment	613,908.73	382,472	555,303	542,103
Transfers	0.00	233,588	0	0
Total Agency Costs	$10,479,729.31	$11,697,163	$10,715,522	$10,868,852
Current Unrestricted Fund	10,479,729.31	11,697,163	10,715,522	10,868,852
Total Funding Costs	$10,479,729.31	$11,697,163	$10,715,522	$10,868,852
Current Level Services	10,479,729.31	11,697,163	10,688,722	10,678,398
Modified Level Services	0.00	0	26,800	190,454
Total Service Costs	$10,479,729.31	$11,697,163	$10,715,522	$10,868,852

Agency Description

Montana College of Mineral Science and Technology was established in 1893 as the Montana School of Mines. Today the college has over 1,800 students.

From the beginning, special emphasis has been placed upon the four main branches of mineral technology -- exploration, production, processing and refining. The faculty of the college and the Montana Bureau of Mines and Geology, a department of the college, also contribute to basic research and innovative approaches to problem solving in the mineral industry.

Bachelor's and Master's programs are offered in engineering science and geological, geophysical, metallurgical, mineral processing, mining and petroleum engineering. A bachelor's program is offered in environmental engineering, and a master's degree is offered in geochemistry (in collaboration with the universities), geology metallurgy and mineral processing. Bachelor's degree programs are also offered in chemistry, mathematics, occupational safety and health, and society and technology.

The college provides services to state government and the citizens of the state by developing, gathering, analyzing, cataloging and disseminating information concerning the location and development of the mineral and energy resources and related resources of the state. This mission is the major responsibility of the Montana Bureau of Mines and Geology. In addition to research activities of individual faculty members, the college is a major participant in the state's magnetohydrodynamics (MHD) research and has been designated one of 20 national Mining and Mineral Resource Research Institutes.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	127.08	141.71	141.71	141.71
Personal Services	3,957,417.78	4,678,427	4,021,462	4,021,462
Operating Expenses	563,307.71	416,720	379,442	379,442
Equipment	180,804.07	173,226	126,481	126,481
Total Program Costs	$4,701,529.56	$5,268,373	$4,527,385	$4,527,385
Current Unrestricted Fund	4,701,529.56	5,268,373	4,527,385	4,527,385
Total Funding Costs	$4,701,529.56	$5,268,373	$4,527,385	$4,527,385
Current Level Services	4,701,529.56	5,268,373	4,527,385	4,527,385
Total Service Costs	$4,701,529.56	$5,268,373	$4,527,385	$4,527,385

Program Description

The objective of the Instruction Program is to provide educational activities directed primarily at the production of credits which satisfy the various curricula requirements leading toward a post-secondary degree. The category also includes expenditures for academic administration where the primary assignment is administration (academic deans).

ORGANIZED RESEARCH BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.82	.82	.82	.82
Personal Services	73,294.30	21,300	23,400	23,400
Operating Expenses	17,658.15	17,113	13,763	13,850
Equipment	7,512.00	1,000	1,000	1,000
Total Program Costs	$98,464.45	$39,413	$38,163	$38,250
Current Unrestricted Fund	98,464.45	39,413	38,163	38,250
Total Funding Costs	$98,464.45	$39,413	$38,163	$38,250
Current Level Services	98,464.45	39,413	38,163	38,250
Total Service Costs	$98,464.45	$39,413	$38,163	$38,250

Program Description

This program includes all funds expended for activities specifically organized for research purposes and commissioned either by an agency outside of the institution or separately budgeted by an organizational unit within the institution.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

OPERATION & MAINT OF PLANT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	30.00	29.77	30.02	33.02
Personal Services	703,642.60	624,457	628,860	681,316
Operating Expenses	555,643.42	489,565	521,888	646,393
Equipment	14,286.13	10,142	19,298	6,098
Total Program Costs	$1,273,572.15	$1,124,164	$1,170,046	$1,333,807
Current Unrestricted Fund	1,273,572.15	1,124,164	1,170,046	1,333,807
Total Funding Costs	$1,273,572.15	$1,124,164	$1,170,046	$1,333,807
Current Level Services	1,273,572.15	1,124,164	1,149,546	1,149,653
Modified Level Services	0.00	0	20,500	184,154
Total Service Costs	$1,273,572.15	$1,124,164	$1,170,046	$1,333,807

Program Description

This program includes all expenditures of current funds for the operation and maintenance of the physical plant, except for amounts charged to auxiliary enterprises and hospitals. It does not include expenditures made from the institutional plant fund accounts. It includes all expenditures for operations established to provide services and maintenance related to campus grounds and facilities, utilities, property insurance, fire protection, and similar items.

Budget Issues

Modification Requests

New Services
The Engineering Laboratory/Classroom Building is scheduled for completion July 1, 1986, with one year of operation in the 1987 biennium. This modification is for additional funds for 3.00 FTE and operational costs in FY87.

Cost: FY 1986 - $ 0 FY 1987 - $177,814

The Montana College of Mineral Science and Technology's share of a system-wide effort to achieve compliance with the federal Resource Conservation and Recovery Act (RCRA) and the State occupational health and safety laws in the removal of toxic substances or hazardous wastes involves the addition of .25 FTE in both years, operational costs and $13,400 to construct and equip an EPA-licensable storage facility.

Cost: FY 1986 - $ 20,500 FY 1987 - $ 6,340

SCHOLARSHIPS & FELLOWSHIPS PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	287,434.50	328,387	324,100	345,900
Total Program Costs	$287,434.50	$328,387	$324,100	$345,900
Current Unrestricted Fund	287,434.50	328,387	324,100	345,900
Total Funding Costs	$287,434.50	$328,387	$324,100	$345,900
Current Level Services	287,434.50	328,387	324,100	345,900
Total Service Costs	$287,434.50	$328,387	$324,100	$345,900

Program Description

This program applies only to funds given in the form of outright grants and trainee stipends to individuals enrolled in formal course work. Scholarships include: outright grants-in-aid; trainee stipends; tuition and fee waivers; and prizes to undergraduate students. Fellowships include outright grants-in-aid and trainee stipends to graduate students, but not funds for which services to the institution must be rendered (e.g., payments for teaching).

INDEPENDENT OPERATIONS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	31.91	31.91	31.91	31.91
Personal Services	870,112.77	874,140	856,332	856,332
Operating Expenses	575,174.28	340,706	571,003	573,670
Equipment	39,272.16	41,566	31,400	31,400
Transfers	0.00	233,588	0	0
Total Program Costs	$1,484,559.21	$1,490,000	$1,458,735	$1,461,402
Current Unrestricted Fund	1,484,559.21	1,490,000	1,458,735	1,461,402
Total Funding Costs	$1,484,559.21	$1,490,000	$1,458,735	$1,461,402
Current Level Services	1,484,559.21	1,490,000	1,458,735	1,461,402
Total Service Costs	$1,484,559.21	$1,490,000	$1,458,735	$1,461,402

Program Description

This program consists of the Bureau of Mines and Geology, which conducts the only Montana agency work in the geological, mineral, mineral-fact, geothermal, and groundwater resource fields. The research involves data collection and interpretation, and dissemination of research results to the public, and to state and federal agencies.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	106.37	122.32	93.26	93.26
Personal Services	1,595,012.33	2,808,989	2,051,727	2,051,727
Operating Expenses	667,122.74	481,299	768,242	733,257
Equipment	372,034.37	156,538	377,124	377,124
Total Program Costs	$2,634,169.44	$3,446,826	$3,197,093	$3,162,108
Current Unrestricted Fund	2,634,169.44	3,446,826	3,197,093	3,162,108
Total Funding Costs	$2,634,169.44	$3,446,826	$3,197,093	$3,162,108
Current Level Services	2,634,169.44	3,446,826	3,190,793	3,155,808
Modified Level Services	0.00	0	6,300	6,300
Total Service Costs	$2,634,169.44	$3,446,826	$3,197,093	$3,162,108

Program Description

The Support Program includes funds for activities designed to support three functions of the institution: academic programs, student services and administrative services.

Academic support - These activities include the retention, preservation and display of materials and the provision of services that directly assist the academic functions of the institution. This category includes libraries, museums and galleries, audio/visual services, academic administration and personnel development, and course and curriculum development.

Student services - These activities include admissions, registrar activities, counseling and career guidance, helping students obtain financial aid, student admissions and records, and supplementary educational services.

Administrative services - These activities include the operational support for the day-to-day functioning of the institution and include executive and fiscal management, general administrative services, logistical services, and community relations.

Budget Issues

Modification Request

Funding Change
Remote Job Entry (RJE), computer processing and equipment charges for the University System's use of CICS and SBAS document transmissions have been absorbed by the Accounting Division of the Department of Administration. The Department has indicated that it will no longer subsidize those activities of the units of the System. TECH's share of those costs is:

Cost: FY 1986 - $ 6,300 FY 1987 - $ 6,300

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	353.97	368.76	387.17	387.17
Personal Services	9,116,811.23	9,862,027	10,298,742	10,298,742
Operating Expenses	3,422,810.35	3,457,042	3,538,666	3,545,556
Equipment	414,232.28	257,803	328,710	325,710
Total Agency Costs	$12,953,853.86	$13,576,872	$14,166,118	$14,170,008
Current Unrestricted Fund	12,953,853.86	13,576,872	14,166,118	14,170,008
Total Funding Costs	$12,953,853.86	$13,576,872	$14,166,118	$14,170,008
Current Level Services	12,953,853.86	13,576,872	14,145,654	14,157,544
Modified Level Services	0.00	0	20,464	12,464
Total Service Costs	$12,953,853.86	$13,576,872	$14,166,118	$14,170,008

Agency Description

Eastern Montana College was established in 1927 with an initial authorization to prepare teachers for the elementary schools. The establishment of the college was in response to needs expressed by citizens in the eastern part of the state, because all the existing institutions of higher education were in the western half. Eastern Montana College is a comprehensive state college with programs in the liberal arts, teacher training, business and human services. Graduate programs through the master's level are offered in teacher training, special education and related areas. The programs in special education and rehabilitation are unique in the University System. The Continuing Education Program gives the student an opportunity to learn the newest developments in his field of study and to explore newly emerging areas of interest and concern.

Policy Issue

The Attorney General has issued an opinion that:

> The Legislature may not appropriate, by bill, revenue generated from sources pledged to cover university system revenue bond requirements, when the revenue obtained from these sources exceeds the bond requirements. (Volume No. 40, Opinion No. 67, 18 September 1984)

It is recommended that the interest and income of Eastern Montana College diverted to general operations be returned to the service of bond debt. Current level General Fund is increased by $150,000 each year of the 1987 Biennium.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	203.20	210.87	219.97	219.97
Personal Services	5,622,968.31	6,048,282	6,099,696	6,099,696
Operating Expenses	624,654.31	630,777	607,833	607,833
Equipment	88,135.24	70,000	86,833	86,833
Total Program Costs	$6,335,757.86	$6,749,059	$6,794,362	$6,794,362
Current Unrestricted Fund	6,335,757.86	6,749,059	6,794,362	6,794,362
Total Funding Costs	$6,335,757.86	$6,749,059	$6,794,362	$6,794,362
Current Level Services	6,335,757.86	6,749,059	6,794,362	6,794,362
Total Service Costs	$6,335,757.86	$6,749,059	$6,794,362	$6,794,362

Program Description

The objective of the Instruction Program is to provide educational activities directed primarily at the production of credits which satisfy the various curricula requirements leading toward a post-secondary degree. The category also includes expenditures for academic administration where the primary assignment is administration (academic deans).

PUBLIC SERVICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.41	6.14	7.41	7.41
Personal Services	167,613.93	159,970	181,848	181,848
Operating Expenses	39,306.57	47,411	41,600	42,667
Equipment	1,478.50	0	500	500
Total Program Costs	$208,399.00	$207,381	$223,948	$225,015
Current Unrestricted Fund	208,399.00	207,381	223,948	225,015
Total Funding Costs	$208,399.00	$207,381	$223,948	$225,015
Current Level Services	208,399.00	207,381	223,948	225,015
Total Service Costs	$208,399.00	$207,381	$223,948	$225,015

Program Description

The objective of the Public Service Program is to assist the community and state in community planning and development, urban planning, professional certification, natural resources, business, education, agriculture, industry, health and recreation. This program includes all funds budgeted specifically for extension and public service and expended for activities established primarily to provide noninstructional services to groups outside the institution. Such activities include seminars, projects, and support of various organizations established to provide services to the community. The 1983 Legislature included funding for the Montana Center for Handicapped Children.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

OPERATION & MAINT OF PLANT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	29.57	34.33	32.25	32.25
Personal Services	535,318.26	639,403	613,756	613,756
Operating Expenses	1,126,576.38	1,196,475	1,295,741	1,302,795
Equipment	18,106.07	3,175	3,000	0
Total Program Costs	$1,680,000.71	$1,839,053	$1,912,497	$1,916,551
Current Unrestricted Fund	1,680,000.71	1,839,053	1,912,497	1,916,551
Total Funding Costs	$1,680,000.71	$1,839,053	$1,912,497	$1,916,551
Current Level Services	1,680,000.71	1,839,053	1,901,097	1,913,151
Modified Level Services	0.00	0	11,400	3,400
Total Service Costs	$1,680,000.71	$1,839,053	$1,912,497	$1,916,551

Program Description

This program includes all expenditures of current funds for the operation and maintenance of the physical plant, except for amounts charged to auxiliary enterprises and hospitals. It does not include expenditures made from the institutional plant fund accounts. It includes all expenditures for operations established to provide services and maintenance related to campus grounds and facilities, utilities, property insurance, fire protection, and similar items.

Budget Issues

Modification Request

New Services
Eastern Montana College's share of a system-wide effort to achieve compliance with the federal Resource Conservation and Recovery Act (RCRA) and the State occupational health and safety laws in the removal of toxic substances or hazardous wastes involves the addition of .16 FTE each year, supporting operational costs and $3,000 to construct a block storage facility.

Cost: FY 1986 - $ 11,400 FY 1987 - $ 3,400

SCHOLARSHIPS & FELLOWSHIPS PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	257,838.50	298,532	349,000	396,719
Total Program Costs	$257,838.50	$298,532	$349,000	$396,719
Current Unrestricted Fund	257,838.50	298,532	349,000	396,719
Total Funding Costs	$257,838.50	$298,532	$349,000	$396,719
Current Level Services	257,838.50	298,532	349,000	396,719
Total Service Costs	$257,838.50	$298,532	$349,000	$396,719

Program Description

This program applies only to funds given in the form of outright grants and trainee stipends to individuals enrolled in formal course work. Scholarships include: outright grants-in-aid; trainee stipends; tuition and fee waivers; and prizes to undergraduate students. Fellowships include outright grants-in-aid and trainee stipends to graduate students, but not funds for which services to the institution must be rendered (e.g., payments for teaching).

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	113.79	117.42	127.54	127.54
Personal Services	2,790,910.73	3,014,372	3,403,442	3,403,442
Operating Expenses	1,374,434.59	1,283,847	1,244,492	1,195,542
Equipment	306,512.47	184,628	238,377	238,377
Total Program Costs	$4,471,857.79	$4,482,847	$4,886,311	$4,837,361
Current Unrestricted Fund	4,471,857.79	4,482,847	4,886,311	4,837,361
Total Funding Costs	$4,471,857.79	$4,482,847	$4,886,311	$4,837,361
Current Level Services	4,471,857.79	4,482,847	4,877,247	4,828,297
Modified Level Services	0.00	0	9,064	9,064
Total Service Costs	$4,471,857.79	$4,482,847	$4,886,311	$4,837,361

Program Description

The Support Program includes funds for activities designed to support three functions of the institution: academic programs, student services and administrative services.

Academic support - These activities include the retention, preservation and display of materials and the provision of services that directly assist the academic functions of the institution. This category includes libraries, museums and galleries, audio/visual services, academic administration and personnel development, and course and curriculum development.

Student services - These activities include admissions, registrar activities, counseling and career guidance, helping students obtain financial aid, student admissions and records, and supplementary educational services.

Administrative services - These activities include the operational support for the day-to-day functioning of the institution and include executive and fiscal management, general administrative services, logistical services, and community relations.

Budget Issues

Modification Request

Funding Change
Remote Job Entry (RJE), computer processing and equipment charges for the University System's use of CICS and SBAS document transmissions have been absorbed by the Accounting Division of the Department of Administration. The Department has indicated that it will no longer subsidize those activities of the units of the System. Eastern Montana College's share of those costs is:

Cost: FY 1986 - $ 9,064 FY 1987 - $ 9,064

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	195.14	195.15	200.49	200.49
Personal Services	4,672,330.60	5,325,839	5,804,321	5,804,321
Operating Expenses	1,585,109.27	1,508,495	1,718,535	1,698,380
Equipment	504,427.48	519,890	500,689	499,089
Total Agency Costs	$6,761,867.35	$7,354,224	$8,023,545	$8,001,790
Current Unrestricted Fund	6,761,867.35	7,354,224	8,023,545	8,001,790
Total Funding Costs	$6,761,867.35	$7,354,224	$8,023,545	$8,001,790
Current Level Services	6,761,867.35	7,354,224	7,997,164	7,978,009
Modified Level Services	0.00	0	26,381	23,781
Total Service Costs	$6,761,867.35	$7,354,224	$8,023,545	$8,001,790

Agency Description

Northern Montana College was authorized by the legislature in 1913, but did not open for instruction until 1929. Northern has been a regional, multi-purpose institution from its inception, offering pre-professional and professional courses of study in the liberal arts and sciences, teacher education, and vocational-technical studies. Northern has sole responsibility in the Montana University System for vocational-technical education, primary responsibilities for vocational teacher training, and offers the Bachelor of Technology degree for students who wish to combine a liberal arts background with vocational training. Further, Northern has the sole responsibility for meeting the certification needs of the state through an itinerant vocational-teacher-education program. Northern offers master's degrees in elementary education, vocational-technical education, and industrial arts as well as bachelor's degrees in elementary, secondary and vocational-technical education.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	115.10	115.10	123.60	123.60
Personal Services	2,905,577.25	3,465,768	3,899,724	3,899,724
Operating Expenses	365,395.18	336,796	357,765	357,765
Equipment	231,746.61	110,000	228,735	228,735
Total Program Costs	$3,502,719.04	$3,912,564	$4,486,224	$4,486,224
Current Unrestricted Fund	3,502,719.04	3,912,564	4,486,224	4,486,224
Total Funding Costs	$3,502,719.04	$3,912,564	$4,486,224	$4,486,224
Current Level Services	3,502,719.04	3,912,564	4,486,224	4,486,224
Total Service Costs	$3,502,719.04	$3,912,564	$4,486,224	$4,486,224

Program Description

The objective of the Instruction Program is to provide educational activities directed primarily at the production of credits which satisfy the various curricula requirements leading toward a post-secondary degree. The category also includes expenditures for academic administration where the primary assignment is administration (academic deans).

PUBLIC SERVICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.14	.14	.14	.14
Personal Services	5,407.31	6,000	5,760	5,760
Operating Expenses	158.74	4,450	2,520	2,541
Equipment	2,755.00	0	0	0
Total Program Costs	$8,321.05	$10,450	$8,280	$8,301
Current Unrestricted Fund	8,321.05	10,450	8,280	8,301
Total Funding Costs	$8,321.05	$10,450	$8,280	$8,301
Current Level Services	8,321.05	10,450	8,280	8,301
Total Service Costs	$8,321.05	$10,450	$8,280	$8,301

Program Description

The objective of the Public Service Program is to assist the community and state in community planning and development, urban planning, professional certification, natural resources, business, education, agriculture, industry, health and recreation. This program includes all funds budgeted specifically for extension and public service and expended for activities established primarily to provide noninstructional services to groups outside the institution. Such activities include seminars, projects, and support of various organizations established to provide services to the community.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

OPERATION & MAINT OF PLANT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	21.60	21.60	22.60	22.60
Personal Services	367,324.55	399,224	397,655	397,655
Operating Expenses	440,588.84	483,456	468,174	467,483
Equipment	13,262.36	0	12,600	11,000
Total Program Costs	$821,175.75	$882,680	$878,429	$876,138
Current Unrestricted Fund	821,175.75	882,680	878,429	876,138
Total Funding Costs	$821,175.75	$882,680	$878,429	$876,138
Current Level Services	821,175.75	882,680	861,129	861,438
Modified Level Services	0.00	0	17,300	14,700
Total Service Costs	$821,175.75	$882,680	$878,429	$876,138

Program Description

This program includes all expenditures of current funds for the operation and maintenance of the physical plant, except for amounts charged to auxiliary enterprises and hospitals. It does not include expenditures made from the institutional plant fund accounts. It includes all expenditures for operations established to provide services and maintenance related to campus grounds and facilities, utilities, property insurance, fire protection, and similar items.

Budget Issues

Modification Request

New Services
Northern Montana College's share of a system-wide effort to achieve compliance with the federal Resource Conservation and Recovery Act (RCRA) and the State occupational health and safety laws in the removal of toxic substances or hazardous wastes involves the addition of 1.00 FTE each year, supporting operation costs and $1,600 for four flammable material storage cabinets.

Cost: FY 1986 - $ 17,300 FY 1987 - $ 14,700

SCHOLARSHIPS & FELLOWSHIPS PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	189,432.14	185,650	236,634	258,148
Total Program Costs	$189,432.14	$185,650	$236,634	$258,148
Current Unrestricted Fund	189,432.14	185,650	236,634	258,148
Total Funding Costs	$189,432.14	$185,650	$236,634	$258,148
Current Level Services	189,432.14	185,650	236,634	258,148
Total Service Costs	$189,432.14	$185,650	$236,634	$258,148

Program Description

This program applies only to funds given in the form of outright grants and trainee stipends to individuals enrolled in formal course work. Scholarships include: outright grants-in-aid; trainee stipends; tuition and fee waivers; and prizes to undergraduate students. Fellowships include outright grants-in-aid and trainee stipends to graduate students, but not funds for which services to the institution must be rendered (e.g., payments for teaching).

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	58.30	58.31	54.15	54.15
Personal Services	1,394,021.49	1,454,847	1,501,182	1,501,182
Operating Expenses	589,534.37	498,143	653,442	612,443
Equipment	256,663.51	409,890	259,354	259,354
Total Program Costs	$2,240,219.37	$2,362,880	$2,413,978	$2,372,979
Current Unrestricted Fund	2,240,219.37	2,362,880	2,413,978	2,372,979
Total Funding Costs	$2,240,219.37	$2,362,880	$2,413,978	$2,372,979
Current Level Services	2,240,219.37	2,362,880	2,404,897	2,363,898
Modified Level Services	0.00	0	9,081	9,081
Total Service Costs	$2,240,219.37	$2,362,880	$2,413,978	$2,372,979

Program Description

The Support Program includes funds for activities designed to support three functions of the institution: academic programs, student services and administrative services.

Academic support - These activities include the retention, preservation and display of materials and the provision of services that directly assist the academic functions of the institution. This category includes libraries, museums and galleries, audio/visual services, academic administration and personnel development, and course and curriculum development.

Student services - These activities include admissions, registrar activities, counseling and career guidance, helping students obtain financial aid, student admissions and records, and supplementary educational services.

Administrative services - These activities include the operational support for the day-to-day functioning of the institution and include executive and fiscal management, general administrative services, logistical services, and community relations.

Budget Issues

Modification Request

Funding Change
Remote Job Entry (RJE), computer processing and equipment charges for the University System's use of CICS and SBAS document transmissions have been absorbed by the Accounting Division of the Department of Administration. The Department has indicated that it will no longer subsidize those activities for the units of the system. Northern Montana College's share of these costs is:

Cost: FY 1986 - $ 9,081 FY 1987 - $ 9,081

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	108.22	108.22	119.13	119.13
Personal Services	2,705,770.99	2,794,743	3,145,263	3,145,263
Operating Expenses	696,495.62	744,163	731,816	694,437
Equipment	186,589.14	158,690	148,601	147,801
Total Agency Costs	$3,588,855.75	$3,697,596	$4,025,680	$3,987,501
Current Unrestricted Fund	3,588,855.75	3,697,596	4,025,680	3,987,501
Total Funding Costs	$3,588,855.75	$3,697,596	$4,025,680	$3,987,501
Current Level Services	3,588,855.75	3,697,596	4,009,842	3,973,163
Modified Level Services	0.00	0	15,838	14,338
Total Service Costs	$3,588,855.75	$3,697,596	$4,025,680	$3,987,501

Agency Description

Western Montana College was established in 1893 as the State Normal School. The first session of school opened in September, 1897. Throughout its history, Western Montana College has been a teacher training institution and it has continued this emphasis while broadening its curricular base.

Western offers graduate work leading to the master's degree and fifth-year professional certificate in education. Bachelor's degrees are offered in elementary education, secondary education, and natural heritage. Associate degree and transfer programs are offered in several areas.

Policy Issue

The Attorney General has issued an opinion that:

> The Legislature may not appropriate, by bill, revenue generated from sources pledged to cover university system revenue bond requirements, when the revenue obtained from these sources exceeds the bond requirements. (Volume No. 40, Opinion No. 67, 18 September 1984)

In 1973, legislative action diverted to general operations one-half of Western Montana College's pledged income and interest to service the bonds, maintenance and additions to the Physical Education Classroom Complex.

It is recommended that the interest and income diverted to general operations be returned to the full service of the 1967 Indenture. Current level General Fund is increased by $130,000 each year of the 1987 Biennium.

INSTRUCTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	50.48	50.48	68.08	68.08
Personal Services	1,364,855.61	1,421,142	1,944,880	1,944,880
Operating Expenses	103,076.52	91,276	140,102	140,102
Equipment	40,384.37	24,400	54,484	54,484
Total Program Costs	$1,508,316.50	$1,536,818	$2,139,466	$2,139,466
Current Unrestricted Fund	1,508,316.50	1,536,818	2,139,466	2,139,466
Total Funding Costs	$1,508,316.50	$1,536,818	$2,139,466	$2,139,466
Current Level Services	1,508,316.50	1,536,818	2,139,466	2,139,466
Total Service Costs	$1,508,316.50	$1,536,818	$2,139,466	$2,139,466

Program Description

The objective of the Instruction Program is to provide educational activities directed primarily at the production of credits which satisfy the various curricula requirements leading toward a post-secondary degree. The category also includes expenditures for academic administration where the primary assignment is administration (academic deans).

OPERATION & MAINT OF PLANT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	12.98	12.98	13.31	13.31
Personal Services	315,022.46	324,588	323,654	323,654
Operating Expenses	241,358.72	287,250	248,656	242,173
Equipment	13,633.46	21,000	2,300	1,500
Total Program Costs	$570,014.64	$632,838	$574,610	$567,327
Current Unrestricted Fund	570,014.64	632,838	574,610	567,327
Total Funding Costs	$570,014.64	$632,838	$574,610	$567,327
Current Level Services	570,014.64	632,838	568,010	562,227
Modified Level Services	0.00	0	6,600	5,100
Total Service Costs	$570,014.64	$632,838	$574,610	$567,327

Program Description

This program includes all expenditures of current funds for the operation and maintenance of the physical plant, except for amounts charged to auxiliary enterprises and hospitals. It does not include expenditures made from the institutional plant fund accounts. It includes all expenditures for operations established to provide services and maintenance related to campus grounds and facilities, utilities, property insurance, fire protection, and similar items.

Budget Issues

Modification Request

New Services
Western Montana College's share of a system-wide effort to achieve compliance with the federal Resource Conservation and Recovery Act (RCRA) and the State occupational health and safety laws in the removal of toxic substances or hazardous wastes involves the addition of .33 FTE each year, supporting operations costs and $800 of equipment costs.

Cost: FY 1986 - $ 6,600 FY 1987 - $ 5,100

SCHOLARSHIPS & FELLOWSHIPS PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	58,581.97	60,640	76,213	84,596
Total Program Costs	$58,581.97	$60,640	$76,213	$84,596
Current Unrestricted Fund	58,581.97	60,640	76,213	84,596
Total Funding Costs	$58,581.97	$60,640	$76,213	$84,596
Current Level Services	58,581.97	60,640	76,213	84,596
Total Service Costs	$58,581.97	$60,640	$76,213	$84,596

Program Description

This program applies only to funds given in the form of outright grants and trainee stipends to individuals enrolled in formal course work. Scholarships include: outright grants-in-aid; trainee stipends; tuition and fee waivers; and prizes to undergraduate students. Fellowships include outright grants-in-aid and trainee stipends to graduate students, but not funds for which services to the institution must be rendered (e.g., payments for teaching).

SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	44.76	44.76	37.74	37.74
Personal Services	1,025,892.92	1,049,013	876,729	876,729
Operating Expenses	293,478.41	304,997	266,845	227,566
Equipment	132,571.31	113,290	91,817	91,817
Total Program Costs	$1,451,942.64	$1,467,300	$1,235,391	$1,196,112
Current Unrestricted Fund	1,451,942.64	1,467,300	1,235,391	1,196,112
Total Funding Costs	$1,451,942.64	$1,467,300	$1,235,391	$1,196,112
Current Level Services	1,451,942.64	1,467,300	1,226,153	1,186,874
Modified Level Services	0.00	0	9,238	9,238
Total Service Costs	$1,451,942.64	$1,467,300	$1,235,391	$1,196,112

Program Description

The Support Program includes funds for activities designed to support three functions of the institution: academic programs, student services and administrative services.

Academic support - These activities include the retention, preservation and display of materials and the provision of services that directly assist the academic functions of the institution. This category includes libraries, museums and galleries, audio/visual services, academic administration and personnel development, and course and curriculum development.

Student services - These activities include admissions, registrar activities, counseling and career guidance, helping students obtain financial aid, student admissions and records, and supplementary educational services.

Administrative services - These activities include the operational support for the day-to-day functioning of the institution and include executive and fiscal management, general administrative services, logistical services, and community relations.

Budget Issues

Modification Request

Funding Change
Remote Job Entry (RJE), computer processing and equipment charges for the University System's use of CICS and SBAS document transmissions have been absorbed by the Accounting Division of the Department of Administration. The Department has indicated that it will no longer subsidize those activities for the units of the System. Western Montana College's share of those costs is:

Cost: FY 1986 - $ 9,238 FY 1987 - $ 9,238

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	301.29	301.29	294.29	294.29
Personal Services	6,886,913.23	7,027,424	7,259,757	7,259,757
Operating Expenses	1,903,348.78	2,123,014	1,762,242	1,776,887
Equipment	247,068.05	262,143	252,650	204,937
Capital Outlay	27,224.05	18,686	0	0
Total Agency Costs	$9,064,554.11	$9,431,267	$9,274,649	$9,241,581
Current Unrestricted Fund	9,064,554.11	9,431,267	9,274,649	9,241,581
Total Funding Costs	$9,064,554.11	$9,431,267	$9,274,649	$9,241,581
Current Level Services	9,064,554.11	9,431,267	9,274,649	9,241,581
Total Service Costs	$9,064,554.11	$9,431,267	$9,274,649	$9,241,581

Agency Description

The Agricultural Experiment Station was established at Montana State University in 1893 by the Montana Legislature under authorization provided by the U.S. Congress of 1887 (Hatch Act). The station is composed of fourteen research and service departments and laboratories located at Bozeman, and seven research centers located around the state.

The goal of the Agricultural Experiment Station is to contribute to the welfare of the state, national and international communities through relevant research programs on agricultural problems. Research is conducted to improve the competitive position of Montana crop and livestock producers, and to develop agricultural production principles and techniques applicable to semi-arid and intermountain regions throughout the world.

Budget Issues

Program Changes

There have been program changes involving the Dairy, Swine and Livestock Nutrition programs within the Agricultural Experiment Station and U.S. Range Station. This has resulted in a reduction of 4.00 FTE from the Range Station and an increase of 2.00 FTE at the Bozeman main office of the Ag Experiment Station.

AG EXPERIMENT STATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	261.16	261.16	258.16	258.16
Personal Services	6,090,487.84	6,275,519	6,538,844	6,538,844
Operating Expenses	1,672,869.90	1,818,357	1,613,313	1,626,667
Equipment	246,143.05	247,721	251,150	203,437
Capital Outlay	27,224.05	18,686	0	0
Total Program Costs	$8,036,724.84	$8,360,283	$8,403,307	$8,368,948
Current Unrestricted Fund	8,036,724.84	8,360,283	8,403,307	8,368,948
Total Funding Costs	$8,036,724.84	$8,360,283	$8,403,307	$8,368,948
Current Level Services	8,036,724.84	8,360,283	8,403,307	8,368,948
Total Service Costs	$8,036,724.84	$8,360,283	$8,403,307	$8,368,948

Program Description

The Agricultural Experiment Station conducts research to improve the competitive position of Montana crop and livestock producers. The station has eight research centers, including the headquarters at Montana State University.

US RANGE STATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	40.13	40.13	36.13	36.13
Personal Services	796,425.39	751,905	720,913	720,913
Operating Expenses	230,478.88	304,657	148,929	150,220
Equipment	925.00	14,422	1,500	1,500
Total Program Costs	$1,027,829.27	$1,070,984	$871,342	$872,633
Current Unrestricted Fund	1,027,829.27	1,070,984	871,342	872,633
Total Funding Costs	$1,027,829.27	$1,070,984	$871,342	$872,633
Current Level Services	1,027,829.27	1,070,984	871,342	872,633
Total Service Costs	$1,027,829.27	$1,070,984	$871,342	$872,633

Program Description

The USDA Livestock and Range Research Station at Miles City is a joint state-federal operation. The station is the largest beef cattle research facility in the nation. Current research includes: beef cattle breeding, reproduction and nutrition, range management, range renovation, and swine nutrition.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	132.86	134.08	135.30	135.30
Personal Services	3,286,432.26	3,397,726	3,458,763	3,459,979
Operating Expenses	581,795.37	679,020	639,735	644,538
Equipment	24,180.88	25,016	16,868	13,552
Capital Outlay	2,838.17	0	2,838	2,838
Total Agency Costs	$3,895,246.68	$4,101,762	$4,118,204	$4,120,907
Current Unrestricted Fund	3,895,246.68	4,101,762	4,118,204	4,120,907
Total Funding Costs	$3,895,246.68	$4,101,762	$4,118,204	$4,120,907
Current Level Services	3,895,246.68	4,101,762	4,079,084	4,080,505
Modified Level Services	0.00	0	39,120	40,402
Total Service Costs	$3,895,246.68	$4,101,762	$4,118,204	$4,120,907

Agency Description

The Cooperative Extension Service was created in 1914. The role of the Cooperative Extension Service is educational; the service disseminates and encourages practical use of knowledge gained primarily from research and experimentation performed at Montana State University. The objective of the Extension Service is to conduct a program of education relating to efficient agricultural production, marketing of agricultural products, human resource development, and farm and home safety. The Service also provides special nutrition programs for low-income people and promotes a development program for Montana communities incorporating economic, natural, and human resources.

Budget Issues

Modification Request

Funding Change

The existing Pesticide Education program was begun in 1976 with EPA "seed money" to be matched with in-kind support from the State. EPA support has gradually decreased due to the federal expectation that the State would assume more of the costs over time. In 1983, the Legislature amended the State's Pesticide Act to strengthen the qualifications of applicators to require higher standards of training and recertification every five years. Funding of 1.22 FTE and operations will serve approximately 8,000 private applicators in Montana and will provide educational support for the training of approximately 650 dealers and 1,100 commercial applicators.

Cost: FY 1986 - $ 39,120 FY 1987 - $ 40,402

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	19.21	18.63	20.14	20.14
Personal Services	510,530.06	511,701	514,888	514,888
Operating Expenses	137,031.44	140,178	126,438	127,139
Equipment	25,694.52	35,809	15,827	31,200
Total Agency Costs	$673,256.02	$687,688	$657,153	$673,227
Current Unrestricted Fund	673,256.02	687,688	657,153	673,227
Total Funding Costs	$673,256.02	$687,688	$657,153	$673,227
Current Level Services	673,256.02	687,688	657,153	673,227
Total Service Costs	$673,256.02	$687,688	$657,153	$673,227

Agency Description

The Forestry and Conservation Experiment Station's purposes include the study of relationships between forests and other dimensions of the environment, the discovery of ways to improve the products of forest lands and the completion and publication of reports about forestry research. Research is carried on at Lubrecht Experimental Forest and at other locations in Montana in cooperation with private, state and federal agencies.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	85.36	85.36	88.28	88.28
Personal Services	1,889,594.01	1,832,493	1,977,845	1,978,848
Operating Expenses	928,614.67	475,774	1,997,250	447,381
Equipment	13,968.81	4,004	58,442	49,650
Total Agency Costs	$2,832,177.49	$2,312,271	$4,033,537	$2,475,879
General Fund	2,397,843.63	1,922,975	3,541,045	1,989,379
Federal & Other Spec Rev Fund	434,333.86	389,296	492,492	486,500
Total Funding Costs	$2,832,177.49	$2,312,271	$4,033,537	$2,475,879
Current Level Services	2,830,711.79	2,312,271	3,956,322	2,398,634
Modified Level Services	1,465.70	0	77,215	77,245
Total Service Costs	$2,832,177.49	$2,312,271	$4,033,537	$2,475,879

Agency Description

The Montana School for the Deaf and Blind is a boarding school for children and adolescents who are deaf and/or blind or whose hearing or sight is so defective that they are unable to receive a proper education in the public schools of the state. The statutory authority for the school is contained in Title 20, chapter 8, part 1, MCA. The purpose of the school is to provide, by the use of specialized methods and systems, an ordinary public school education and to teach trades and vocations that will enable children attending the school to become independent and self-sustaining citizens.

ADMINISTRATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.25	5.25	5.25	5.25
Personal Services	131,151.20	129,679	134,828	134,885
Operating Expenses	32,055.23	33,875	57,700	41,857
Equipment	1,181.12	989	3,200	0
Total Program Costs	$164,387.55	$164,543	$195,728	$176,742
General Fund	164,387.55	164,543	195,728	176,742
Total Funding Costs	$164,387.55	$164,543	$195,728	$176,742
Current Level Services	164,387.55	164,543	195,728	176,742
Total Service Costs	$164,387.55	$164,543	$195,728	$176,742

Program Description

The Administration Program staff provide purchasing, accounting, and personnel functions and management of business affairs for the school.

Budget Issues

Increases in the Administration program budget request including audit fees of $17,500 in FY 1986, leasing fees of $5,325 each year for installation of new telephone services, and approximately $2,000 per year for equipment causes this budget to exceed current level expenditures.

GENERAL SERVICES PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.50	6.50	6.50	6.50
Personal Services	121,116.60	120,067	119,372	119,605
Operating Expenses	163,121.58	177,115	175,965	176,303
Equipment	430.00	2,250	10,000	10,000
Total Program Costs	$284,668.18	$299,432	$305,337	$305,908
General Fund	284,668.18	299,432	305,337	305,908
Total Funding Costs	$284,668.18	$299,432	$305,337	$305,908
Current Level Services	284,668.18	299,432	305,337	305,908
Total Service Costs	$284,668.18	$299,432	$305,337	$305,908

Program Description

The General Services Program staff are responsible for the repair and maintenance of the school's buildings and 18.5 acre campus.

Budget Issues

Increases in expenditures for insurance and bonds of $4,572 for FY 1986, $3,000 each year for maintenance contracts for new facilities, and carpet replacement at a cost of $10,000 per year for the academic building raises the General Services program budget request above current level expenditures.

STUDENT SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	26.72	26.72	27.47	27.47
Personal Services	549,631.72	467,683	511,957	512,163
Operating Expenses	111,209.04	115,944	114,694	114,694
Equipment	1,226.54	0	4,000	3,400
Total Program Costs	$662,067.30	$583,627	$630,651	$630,257
General Fund	632,067.30	553,627	600,651	600,257
Federal & Other Spec Rev Fund	30,000.00	30,000	30,000	30,000
Total Funding Costs	$662,067.30	$583,627	$630,651	$630,257
Current Level Services	662,067.30	583,627	630,651	630,257
Total Service Costs	$662,067.30	$583,627	$630,651	$630,257

Program Description

The Student Services Program exists to provide residential care for children attending the school.

Budget Issues

Termination pay for an employee inflated personal services expenditures in the base year for this program by $5,695. The equipment budget was increased by approximately $3,000 each year. These changes plus unallocated salaries cause the Student Services budget to be below current level expenditures. A transfer of .75 FTE was made to this program from the education program.

EDUCATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	46.89	46.89	48.33	48.33
Personal Services	1,087,694.49	1,115,064	1,192,384	1,192,884
Operating Expenses	109,894.35	148,840	118,679	114,527
Equipment	6,424.11	765	41,242	36,250
Total Program Costs	$1,204,012.95	$1,264,669	$1,352,305	$1,343,661
General Fund	816,582.25	905,373	889,813	887,161
Federal & Other Spec Rev Fund	387,430.70	359,296	462,492	456,500
Total Funding Costs	$1,204,012.95	$1,264,669	$1,352,305	$1,343,661
Current Level Services	1,202,547.25	1,264,669	1,294,394	1,285,727
Modified Level Services	1,465.70	0	57,911	57,934
Total Service Costs	$1,204,012.95	$1,264,669	$1,352,305	$1,343,661

Program Description

The Education Program exists to provide an education for children with a hearing and/or sight loss which prevents them from receiving an adequate education in their regular hometown public or private school. The program also provides "mainstream" programs for certain students in a joint effort with Great Falls Public School System.

Budget Issues

Allowance of a $7,000 increased expenditure for replacement of textbooks in FY 1986, replacement of phonic ear classroom amplification units costing $30,250 each year, and increases of $10,992 and $6,000 respectively for fiscal years 1986 and 1987 for the purchase of athletic and recreational equipment raises the Education program budget above current level expenditures. Increased expenditures for athletic and recreational equipment are to be funded from athletic program proceeds.

A .75 FTE was transferred from this program to the Student Services program.

Modification Requests

Workload Increases

The School for the Deaf/Blind anticipates increased enrollment of ten students in the 1984-1985 school year and an equal number in 1985-1986 above the number of students who will graduate. The increases will effect both the pre-school hearing impaired and elementary visually impaired programs and each program will receive approximately equal portions of the increases. Because students in these programs require individual attention and many are multiple handicapped students, it is necessary to increase staff in order to maintain current level of service to students. To provide the increased service, we request an additional three (3.00) FTE. This number includes two teachers, one each for the hearing impaired and visually impaired programs, and a half-time speech therapist. Using the conversion

EDUCATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	46.89	46.89	48.33	48.33

factor of .73 for teachers, the three (3.00) FTE requested results in the additional of 2.19 FTE which are to be funded from the general fund.

Cost: FY 1986 - $ 57,911 FY 1987 - $ 57,934

DONATED FUNDS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	12,196.12	0	0	0
Equipment	4,707.04	0	0	0
Total Program Costs	$16,903.16	$0	$0	$0
Federal & Other Spec Rev Fund	16,903.16	0	0	0
Total Funding Costs	$16,903.16	$0	$0	$0
Current Level Services	16,903.16	0	0	0
Total Service Costs	$16,903.16	$0	$0	$0

Program Description

The Donated Funds Program is used to record financial activity for special projects and extra-curricular activities for the school.

The Donated Funds Program was discountinued and the funds were transferred to a public foundation in fiscal year 1984.

AUDIOLOGY PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	.00	.73	.73
Personal Services	0.00	0	19,304	19,311
Operating Expenses	500,138.35	0	1,530,212	0
Total Program Costs	$500,138.35	$0	$1,549,516	$19,311
General Fund	500,138.35	0	1,549,516	19,311
Total Funding Costs	$500,138.35	$0	$1,549,516	$19,311
Current Level Services	500,138.35	0	1,530,212	0
Modified Level Services	0.00	0	19,304	19,311
Total Service Costs	$500,138.35	$0	$1,549,516	$19,311

Program Description

The Audiology Program provides hearing screening services to all public schools in Montana. The services are carried out by providers contracting with the Montana School for the Deaf/Blind. Appropriate referrals are made for students identified as having a hearing loss.

Budget Issues

Modification Requests

New Services
The 1983 Legislature transferred the Audiology Program from the Office of the Superintendent of Public Instruction to the School for the Deaf/Blind. Appropriation language states that no funds may be used for the administration of the program. To adequately administer this program, follow-up evaluation is needed. Presently the only control over expenditures is attained through program guidelines and contract language. To insure increased control over delivery of services and contract compliance, we request general fund for a program coordinator (1.00 FTE) who would draft contracts; act as liaison with providers of services; provide technical assistance; conduct on-site program monitoring; and recommend budget adjustments. Using the .73 conversion factor for teachers and administrative personnel causes this FTE to become a .73 FTE request.

Cost: FY 1986 - $ 19,304 FY 1987 - $ 19,311

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	4.00	4.00	8.50	8.50
Personal Services	118,564.76	102,568	198,298	198,720
Operating Expenses	256,959.38	224,564	351,906	341,908
Equipment	2,753.29	0	0	0
Grants	377,376.74	178,037	488,689	479,195
Total Agency Costs	$755,654.17	$505,169	$1,038,893	$1,019,823
General Fund	130,881.00	113,586	177,575	167,185
State Special Revenue Fund	224,205.11	0	349,286	347,726
Federal & Other Spec Rev Fund	400,568.06	391,583	512,032	504,912
Total Funding Costs	$755,654.17	$505,169	$1,038,893	$1,019,823
Current Level Services	740,654.17	505,169	926,728	910,151
Modified Level Services	15,000.00	0	112,165	109,672
Total Service Costs	$755,654.17	$505,169	$1,038,893	$1,019,823

Agency Description

As authorized by section 22-2-101, MCA, the Montana Arts Council exists to encourage the expansion of opportunities for all Montana citizens to create, participate in, and appreciate the arts, regardless of age, sex, race, income, place of residence, or physical condition. The Montana Arts Council encourages the study and presentation of the arts throughout the state. It stimulates public interest and participation in arts activities and cooperates with public and private institutions engaged in artistic and cultural activities. It also provides grants for technical assistance, distribution of art resources, special project assistance, and pilot project development.

The Montana Arts Council's budget request was previously presented as a one program budget. For this biennium the program budget has been separated into three sub-programs entitled promotion of the arts, grants and special projects. This separation will enable one to view more clearly the various functions of the agency.

PROMOTION OF THE ARTS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.10	4.00	4.10	4.10
Personal Services	78,535.67	102,568	104,286	104,670
Operating Expenses	53,414.73	224,564	88,323	77,736
Equipment	2,753.29	0	0	0
Grants	22,336.51	178,037	0	0
Total Program Costs	$157,040.20	$505,169	$192,609	$182,406
General Fund	70,908.48	113,586	84,026	75,137
Federal & Other Spec Rev Fund	86,131.72	391,583	108,583	107,269
Total Funding Costs	$157,040.20	$505,169	$192,609	$182,406
Current Level Services	157,040.20	505,169	150,250	142,674
Modified Level Services	0.00	0	42,359	39,732
Total Service Costs	$157,040.20	$505,169	$192,609	$182,406

Program Description

The promotion of the Arts program provides for the core administrative function of the Council, including the Executive Director, office manager, accounting support, data processing support, clerical support, Council operations, and audit.

Budget Issues

Because this agency budget has been divided into three sub-programs the budgeted column for FY 1985 shown above is not representative of the budget for sub-program, promotion of the arts. The FY 1985 column includes the totals of all three sub-programs.

The current level budget request for this program is below current level expenditures, because moving expenses for the agency's move to Helena were removed from the base year.

Modification Requests

Funding Changes
The Montana Arts Council is requesting recognition of the entire staff of the agency as state FTE's. Presently the general fund funds half of the authorized 4 FTE's. The other half is funded from federal sources. This has been the level of authorized FTE's since 1975. We request that two (2.00) additional FTE be added to this program and funded equally between general and federal funds.

Cost: FY 1986 - $ 42,359 FY 1987 - $ 39,732

GRANTS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Grants	352,479.17	0	488,689	479,195
Total Program Costs	$352,479.17	$0	$488,689	$479,195
General Fund	21,918.00	0	22,068	22,068
State Special Revenue Fund	186,719.68	0	311,016	309,456
Federal & Other Spec Rev Fund	143,841.49	0	155,605	147,671
Total Funding Costs	$352,479.17	$0	$488,689	$479,195
Current Level Services	337,479.17	0	488,689	479,195
Modified Level Services	15,000.00	0	0	0
Total Service Costs	$352,479.17	$0	$488,689	$479,195

Program Description

The grants program carries out the on-going programs of the Council, including Organizational Services, Artists Services and Artists in Schools, the Montana Folklife Project, Coal Tax Administration, Advisory Panels, and Public Art.

Because this is a newly created program no amounts appear in the budgeted FY 1985 column.

Budget Issues

Because of expected increased revenue for grants, this program budget request exceeds current level expenditures to reflect anticipated grant awards to recipients.

SPECIAL PROJECTS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	1.90	.00	4.40	4.40
Personal Services	40,029.09	0	94,012	94,050
Operating Expenses	203,544.65	0	263,583	264,172
Grants	2,561.06	0	0	0
Total Program Costs	$246,134.80	$0	$357,595	$358,222
General Fund	38,054.52	0	71,481	69,980
State Special Revenue Fund	37,485.43	0	38,270	38,270
Federal & Other Spec Rev Fund	170,594.85	0	247,844	249,972
Total Funding Costs	$246,134.80	$0	$357,595	$358,222
Current Level Services	246,134.80	0	287,789	288,282
Modified Level Services	0.00	0	69,806	69,940
Total Service Costs	$246,134.80	$0	$357,595	$358,222

Program Description

The special projects program includes:

Council-initiated projects,

Council grants and fellowships, and

Cultural and aesthetic projects grants

The definitions of these various types are as follows:

Council-initiated projects: These projects, carried out at the initiation of the Council, may or may not be on-going, are administered by existing staff, and are charged only for the direct costs incurred with no administrative costs allocated to them.

Council grants and fellowships: Applications are made by nonprofit organizations and individual artists and compete with all other applications submitted. Grants are reviewed by staff, evaluated by advisory panels, which in turn make their recommendations to the full Council which make the final awards.

Cultural and aesthetic projects grants: Applications are made by governing units and compete with all other Cultural and Aesthetic projects proposals submitted. Grants are reviewed by staff, evaluated by the Cultural and Aesthetic Projects Advisory Committee, which makes its recommendations to the joint sub-committee on Education and Culture. The final allocations are legislated by the House and Senate.

Because this is a newly created program no amounts appear in the budgeted FY 1985 column.

SPECIAL PROJECTS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	1.90	.00	4.40	4.40

Budget Issues

Adjustments of approximately $6,000 per year for contracted personal services, the addition of $22,000 per year for additional contracted FTE to administer the Cultural and Aesthetic Grants program and the Visual Arts project, and minor adjustments of $1,451 and $1,714 per year for travel and rent respectively cause this budget request for the Special Projects program to exceed current level of expenditures.

Modification Requests

Funding Changes
The Montana Arts Council is requesting recognition of the entire staff of the agency as state FTE's. At the present time the General Fund funds half of the authorized 4 FTE's. The other half is funded from federal sources. This has been the level of authorized FTE's since 1975. We request that two and one half (2.50) FTE be added to this program and funded equally between general and federal funds.

Cost: FY 1986 - $ 69,806 FY 1987 - $ 69,940

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	25.50	25.50	25.50	25.50
Personal Services	549,015.60	536,723	564,607	565,632
Operating Expenses	300,668.43	355,061	352,237	347,628
Equipment	97,852.60	86,856	163,250	121,340
Grants	501,312.94	495,000	998,770	825,585
Total Agency Costs	$1,448,849.57	$1,473,640	$2,078,864	$1,860,185
General Fund	527,181.40	551,136	650,721	600,428
State Special Revenue Fund	414,019.04	559,944	518,000	484,000
Federal & Other Spec Rev Fund	507,649.13	362,560	910,143	775,757
Total Funding Costs	$1,448,849.57	$1,473,640	$2,078,864	$1,860,185
Current Level Services	1,448,849.57	1,473,640	1,967,536	1,788,522
Modified Level Services	0.00	0	111,328	71,663
Total Service Costs	$1,448,849.57	$1,473,640	$2,078,864	$1,860,185

Agency Description

As authorized in Title 22, Chapter 1, MCA, the Montana State Library is responsible for providing assistance and advice to all tax supported libraries and to citizens and local governments which may wish to establish and improve libraries. It administers all state and federal funding to public libraries throughout Montana. It administers the State Library which (a) provides information service to state government; (b) provides referral and backup service to all libraries in the state; (c) provides direct library service to all blind and physically handicapped Montana residents; and (d) is responsible for distribution centers of state documents. It also oversees the six federations of libraries and does policy development, long range planning and coordination of library service throughout the state.

Special Narrative

Following a program review study carried out by the State Library Commission, the Montana State Library reorganized its program structure which resulted in the addition of a new program entitled Technical Services and the renaming of others to better describe program functions. Transfers of FTE and expenditures were carried out among the programs to accommodate the reorganization. All programs were affected by reorganization with the exception of the Library Services for Physically Handicapped program. Transfers are reflected in the current level FY 1984 base for all programs.

REFERENCE & INFORMATION SER. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.34	7.00	6.50	6.50
Personal Services	138,817.03	148,215	146,502	146,798
Operating Expenses	147,768.26	153,972	149,776	151,102
Equipment	77,664.56	74,200	80,800	80,800
Grants	0.00	495,000	0	0
Total Program Costs	$364,249.85	$871,387	$377,078	$378,700
General Fund	254,263.30	243,387	263,881	261,289
State Special Revenue Fund	19,167.92	495,000	22,994	23,595
Federal & Other Spec Rev Fund	90,818.63	133,000	90,203	93,816
Total Funding Costs	$364,249.85	$871,387	$377,078	$378,700
Current Level Services	364,249.85	871,387	377,078	378,700
Total Service Costs	$364,249.85	$871,387	$377,078	$378,700

Program Description

Under MCA 22-1-103(2)(4)(7), the Reference and Information Services program provides staff, services and collections of materials to make available information service for all state agencies and state employees. It also provides referral and backup services for all libraries within the state. The collections of materials provide an information base for state government and special items which local libraries are not able to provide. Services include interlibrary loan for all state employees, database searching for both state employees and citizens in Montana, circulation and collection development.

Budget Issues

The proposed budget allows this program to maintain its current level of operation. This program was reorganized.

LIBRARY DEVELOPMENT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	3.00	4.50	3.00	3.00
Personal Services	86,087.61	94,618	90,220	90,341
Operating Expenses	42,310.33	134,508	40,101	40,033
Equipment	2,457.85	1,656	500	0
Grants	501,312.94	0	998,770	825,585
Total Program Costs	$632,168.73	$230,782	$1,129,591	$955,959
General Fund	42,752.74	99,478	42,284	41,861
State Special Revenue Fund	360,156.09	64,944	461,000	426,269
Federal & Other Spec Rev Fund	229,259.90	66,360	626,307	487,829
Total Funding Costs	$632,168.73	$230,782	$1,129,591	$955,959
Current Level Services	632,168.73	230,782	1,129,591	955,959
Total Service Costs	$632,168.73	$230,782	$1,129,591	$955,959

Program Description

Under MCA 22-1-103(1)(3)(5)(8)(9), this program provides staff and services to give assistance and advice to all tax supported libraries and to local government and citizens who wish to establish and improve libraries. It oversees the six federations of libraries throughout Montana. It provides both automation planning and links Montana with computer networks throughout the region and the nation. This includes development and coordination of library service, long range planning and public information about library services in the state.

Budget Issues

The grant awards to local libraries portion of the General Library Services program was transferred to the Library Development program during the reorganization process. The budget request for this program appears to be above current level expenditures, because the base year reflects only one year's expenditures of a two year grant award period. For example, of the total grant award request of $998,770 for FY 1986 shown above, $563,255 represents the actual FY 1986 grants. The remaining amount of $435,515 is the carry over amounts of grant awards for FY 1984 and FY 1985 for which continuing authority is requested.

In FY 1987 the grant award request is for $825,585. Of this total $605,593 is the FY 1987 grant award and $219,992 is the carry over amount for FY 1985 and FY 1986 for which continuing authority is requested.

Agency funds for pass through grants previously not appropriated are included in the above grant award totals.

INSTITUTIONAL LIB SER PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	4.00	2.00	2.00
Personal Services	45,377.75	92,929	46,084	46,103
Operating Expenses	8,274.67	11,887	10,731	10,731
Equipment	9,854.69	11,000	10,000	10,000
Total Program Costs	$63,507.11	$115,816	$66,815	$66,834
General Fund	18,030.95	57,100	19,701	19,720
Federal & Other Spec Rev Fund	45,476.16	58,716	47,114	47,114
Total Funding Costs	$63,507.11	$115,816	$66,815	$66,834
Current Level Services	63,507.11	115,816	66,815	66,834
Total Service Costs	$63,507.11	$115,816	$66,815	$66,834

Program Description

Under MCA 22-1-103(7), this program provides staff and services for library service to Montana residents who are in state care in correctional, psychiatric or other institutions. It provides a staff member and library at Montana State Hospital, Warm Springs. It provides money to purchase materials and for contracts with local public libraries to serve the Veterans' Home, Columbia Falls; Center for the Aged, Lewistown; Eastmont Human Services Center, Glendive; Pine Hills School, Miles City; and Swan River Youth Forest Camp, Swan Lake. Institutions close to Helena are served directly by the State Library. It also provides money for materials for the State Prison, Deer Lodge.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

Because of the reorganization, comparison of budget totals for FY 1986 and 1987 should be made with FY 1984. The FY 1985 column is not applicable.

LIB SER FOR PHYS HANDI PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	5.00	5.00	5.00	5.00
Personal Services	90,994.88	90,289	95,601	95,940
Operating Expenses	39,500.59	42,662	61,866	50,838
Equipment	0.00	0	58,080	29,040
Total Program Costs	$130,495.47	$132,951	$215,547	$175,818
General Fund	52,189.92	72,172	132,817	92,609
Federal & Other Spec Rev Fund	78,305.55	60,779	82,730	83,209
Total Funding Costs	$130,495.47	$132,951	$215,547	$175,818
Current Level Services	130,495.47	132,951	134,034	135,061
Modified Level Services	0.00	0	81,513	40,757
Total Service Costs	$130,495.47	$132,951	$215,547	$175,818

Program Description

Under MCA 22-1-103(6), this program provides staff, services and materials for direct library service to all people in Montana who are unable to use conventional print. It administers the Talking Book Program from the Library of Congress, with both books and talking book machines. Coordination of volunteers who work with the blind or physically handicapped is part of this program.

Budget Issues

Modification Requests

Funding Changes
The Montana State Library's Services to the Blind and Physically Handicapped Program is funded partially by federal funds. Funding this program completely with general fund would release federal funds to fund an automated Library of Congress System for the states thus linking Montana to the National system for information retrieval and materials location. National automated records makes transfer easy for the blind and physically handicapped materials. Savings would occur due to less need for personnel as use increases. We request general fund for this purpose.

Cost: FY 1986 - $ 81,513 FY 1987 - $ 40,757

ADMINISTRATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.16	5.00	4.00	4.00
Personal Services	96,888.00	110,672	99,141	99,182
Operating Expenses	31,853.93	12,032	40,263	31,696
Equipment	625.50	0	1,500	1,500
Total Program Costs	$129,367.43	$122,704	$140,904	$132,378
General Fund	94,650.64	78,999	106,187	97,661
Federal & Other Spec Rev Fund	34,716.79	43,705	34,717	34,717
Total Funding Costs	$129,367.43	$122,704	$140,904	$132,378
Current Level Services	129,367.43	122,704	140,904	132,378
Total Service Costs	$129,367.43	$122,704	$140,904	$132,378

Program Description

Under MCA 22-1-103, this program administers the State Library and administers all state and federal funds appropriated for public libraries and library services. It provides support services for the Montana State Library Commission and the Montana Library Services Advisory Council.

Budget Issues

The proposed budget allows this program to maintain its current level of operation. This program was reorganized.

TECHNICAL SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.00	.00	5.00	5.00
Personal Services	90,850.33	0	87,059	87,268
Operating Expenses	30,960.65	0	49,500	63,228
Equipment	7,250.00	0	12,370	0
Total Program Costs	$129,060.98	$0	$148,929	$150,496
General Fund	65,293.85	0	85,851	87,288
State Special Revenue Fund	34,695.03	0	34,006	34,136
Federal & Other Spec Rev Fund	29,072.10	0	29,072	29,072
Total Funding Costs	$129,060.98	$0	$148,929	$150,496
Current Level Services	129,060.98	0	119,114	119,590
Modified Level Services	0.00	0	29,815	30,906
Total Service Costs	$129,060.98	$0	$148,929	$150,496

Program Description

Under MCA 22-1-103(4) and 22-1-211 through 22-1-214, this program provides services related to the State Library materials collections and the state documents depository center. It is responsible for the purchase, cataloging and preparation of books, periodicals and other materials. It contains a federal documents depository program and is the program within which the state documents depository center is operated. This program was created as a result of the reorganization process; therefore, the FY 1985 column is not applicable.

Budget Issues

Modifications Requests

Workload Increases
Montana State Library now has a single telephone line providing on-line access to the Washington Library Network. An additional line is needed to promptly serve increasing constituency demand among Montana libraries. As a result of increased number of terminals accessing the present WLN lines telecommunications costs for the State library are projected to increase by 30% per month in FY 1985. Based on this projection, the cost of this service will increase. Phasing out of WLN's Hazeltine modular one computer by December 1986 and replacing with modified IBM-PC microcomputers will further increase costs. We request general fund for this service.

Cost: FY 1986 - $ 29,815 FY 1987 - $ 30,906

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	2.00	2.00	2.00	2.00
Personal Services	55,863.89	53,449	56,503	57,005
Operating Expenses	38,827.03	41,782	49,707	46,140
Equipment	449.00	0	0	0
Total Agency Costs	$95,139.92	$95,231	$106,210	$103,145
Federal & Other Spec Rev Fund	95,139.92	95,231	106,210	103,145
Total Funding Costs	$95,139.92	$95,231	$106,210	$103,145
Current Level Services	95,139.92	95,231	106,210	103,145
Total Service Costs	$95,139.92	$95,231	$106,210	$103,145

Agency Description

Created in 1969 by Executive Order to comply with federal legislation, (P.L. 94-482, Section 105), the Montana Advisory Council for Vocational Education advises the Superintendent of Public Instruction on matters dealing with vocational education, evaluates vocational education in the state, and assists local advisory councils.

ADMINISTRATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	2.00	2.00	2.00
Personal Services	55,863.89	53,449	56,503	57,005
Operating Expenses	38,827.03	41,782	49,707	46,140
Equipment	449.00	0	0	0
Total Program Costs	$95,139.92	$95,231	$106,210	$103,145
Federal & Other Spec Rev Fund	95,139.92	95,231	106,210	103,145
Total Funding Costs	$95,139.92	$95,231	$106,210	$103,145
Current Level Services	95,139.92	95,231	106,210	103,145
Total Service Costs	$95,139.92	$95,231	$106,210	$103,145

Program Description

Administration program personnel include council members and administration staff. The council members meet several times each year to deliberate on issues related to the improvement of vocational education in Montana, and to plan council projects. The administration staff conducts research, prepares research and annual reports, plans council meetings and travel, manages council fiscal activity, maintains all council records, supervises the accomplishment of council goals, and represents the council when directed to by council members.

Budget Issues

The Montana Advisory Council for Vocational Education anticipates an increase in its revenue over that of the past biennium. This budget request reflects the anticipated increase.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	48.57	44.00	51.00	51.00
Personal Services	1,000,900.82	930,145	1,138,455	1,140,426
Operating Expenses	528,388.84	541,339	682,922	711,988
Equipment	18,980.28	18,030	19,634	22,115
Total Agency Costs	$1,548,269.94	$1,489,514	$1,841,011	$1,874,529
General Fund	979,875.34	1,014,978	1,092,025	1,112,500
State Special Revenue Fund	38,125.31	0	0	0
Federal & Other Spec Rev Fund	253,425.85	216,086	391,993	391,654
Proprietary Fund	276,843.44	258,450	356,993	370,375
Total Funding Costs	$1,548,269.94	$1,489,514	$1,841,011	$1,874,529
Current Level Services	1,394,239.18	1,489,514	1,538,973	1,572,214
Modified Level Services	154,030.76	0	302,038	302,315
Total Service Costs	$1,548,269.94	$1,489,514	$1,841,011	$1,874,529

Agency Description

The Montana Historical Society exists for the use, learning, culture, and enjoyment of the citizens of the state and for the collection, preservation and interpretation of Montana's material culture, e.g., artifacts, documents and records. The Montana Historical Society was established in 1865 (section 22-3-101, MCA).

ADMINISTRATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	11.00	11.00	12.50	12.50
Personal Services	237,131.48	235,966	278,856	279,237
Operating Expenses	123,436.88	149,756	152,669	166,030
Equipment	3,244.44	1,000	4,615	4,615
Total Program Costs	$363,812.80	$386,722	$436,140	$449,882
General Fund	334,529.40	329,171	396,848	410,590
Federal & Other Spec Rev Fund	29,283.40	57,551	39,292	39,292
Total Funding Costs	$363,812.80	$386,722	$436,140	$449,882
Current Level Services	363,812.80	386,722	406,187	419,918
Modified Level Services	0.00	0	29,953	29,964
Total Service Costs	$363,812.80	$386,722	$436,140	$449,882

Program Description

The staff of the Administration Program provide supervision, administration, and coordination of the eight programs in the Historical Society. Program staff are responsible for the effective management, planning, direction and leadership of the society as a whole. Activities include public relations, payroll/personnel, fund raising, financial reporting, and business management.

Budget Issues

In the administration program a position upgrade amounting to approximately $7,000 each year, adjustment in rent allocations for new building addition amounting to $14,887 and $39,714 respectively for FY 1986 and FY 1987, audit costs of $12,000 for FY 1986, increases in maintenance contracts of $1,200 per year, and increases for insurance and bonds of $1,600 per year cause this budget request to exceed current level of expenditures.

Modification Requests

Workload Increases

The business office has experienced a 250% increase in transactions that reflect a general increase in demand for services and increases due to the recent addition of the Historic Preservation, Education, Society Press programs, and the Public Relations Office. There is a pressing need for accounting and clerical assistance to meet this expanded activity. We request general fund for the addition of an accounting specialist III, and a half time administration clerk II. (1.50 FTE)

Cost: FY 1986 - $ 29,953 FY 1987 - $ 29,964

LIBRARY PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.00	5.00	5.00	5.00
Personal Services	142,918.10	107,921	117,151	117,200
Operating Expenses	46,637.60	31,462	40,266	40,595
Equipment	10,136.34	10,075	9,200	9,200
Total Program Costs	$199,692.04	$149,458	$166,617	$166,995
General Fund	137,815.67	134,743	146,217	146,595
Federal & Other Spec Rev Fund	61,876.37	14,715	20,400	20,400
Total Funding Costs	$199,692.04	$149,458	$166,617	$166,995
Current Level Services	147,658.86	149,458	156,217	156,595
Modified Level Services	52,033.18	0	10,400	10,400
Total Service Costs	$199,692.04	$149,458	$166,617	$166,995

Program Description

The Library Program's purpose is to acquire, organize, preserve and make accessible to the public published materials illustrative of the history of Montana, the surrounding region, and the Trans-Mississippi West and to assist researchers seeking information in these areas. The program is provided for in section 22-3-103, MCA.

Budget Issues

Modification Requests

The Montana Historical Society requests increased spending authority for the Library revolving account to allow purchase of necessary supplies for the Library Photocopy Program. This request will permit increased sale of photo copies of library and materials to patrons.

Cost: FY 1986 - $ 10,400 FY 1987 - $ 10,400

MUSEUM PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.00	7.00	9.50	9.50
Personal Services	136,683.32	153,849	210,447	210,987
Operating Expenses	63,530.69	53,508	102,434	102,605
Equipment	2,605.83	3,000	1,000	1,000
Total Program Costs	$202,819.84	$210,357	$313,881	$314,592
General Fund	202,819.84	210,357	214,788	215,500
Federal & Other Spec Rev Fund	0.00	0	99,093	99,092
Total Funding Costs	$202,819.84	$210,357	$313,881	$314,592
Current Level Services	202,819.84	210,357	214,788	215,500
Modified Level Services	0.00	0	99,093	99,092
Total Service Costs	$202,819.84	$210,357	$313,881	$314,592

Program Description

The Museum Program was established to collect, preserve, and interpret the history of Montana through its material culture. The museum collects fine arts and historical, archeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits and educational programs.

Budget Issues

Modification Request

Workload Increases
In the years between now and the Centennial, the Museum staff will be involved in the largest museum project the Society has ever undertaken which is the complete renovation of the Formal Museum and the construction of an entirely new Montana history exhibition. When completed at the end of five years, the exhibition will occupy nearly 10,000 square feet of gallery space in the Veterans and Pioneers Memorial Building. To complete this project we are requesting increased spending authority from Society donations to add a 1.0 FTE Cataloger (grade 7), a 1.0 FTE Carpenter (grade 10), and a 0.50 FTE Graphic Artist (grade 11). Additional spending authority is necessary for the employment of a Consultant Historian and for the purchase of supplies and materials for the Formal Museum renovation

Cost: FY 1986 - $ 99,093 FY 1987 - $ 99,092

MAGAZINE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.75	4.00	6.00	6.00
Personal Services	96,612.43	85,016	126,284	126,433
Operating Expenses	216,998.59	210,750	270,268	284,054
Equipment	1,795.27-	0	0	0
Total Program Costs	$311,815.75	$295,766	$396,552	$410,487
General Fund	34,972.31	37,316	39,559	40,112
Proprietary Fund	276,843.44	258,450	356,993	370,375
Total Funding Costs	$311,815.75	$295,766	$396,552	$410,487
Current Level Services	244,689.01	295,766	321,021	334,942
Modified Level Services	67,126.74	0	75,531	75,545
Total Service Costs	$311,815.75	$295,766	$396,552	$410,487

Program Description

The Magazine Program exists to fulfill one of the primary roles of the Society - "to promote the study of Montana history by lectures and publications" (section 22-3-108(15), MCA). The program publishes Montana the Magazine of Western History and the Montana Post, the official newsletter of the Society, on a quarterly schedule. It also has responsibility for composing, designing and editing Historical Society publications, including news releases, promotional and educational brochures, educational pamphlets, and printed programs.

Budget Issues

A reduction of $22,000 in the base year for inventory adjustment, increases in FY 1986 and FY 1987 of $31,896 and $33,396 respectively for purchase of goods for resale, audit costs of $3,800 in FY 1986, increases of $5,372 and $14,672 for FY 1986 and 1987 in contract services for graphics and printing, and $2,000 per year for travel are the main factors which cause this budget request to exceed current level expenditures.

Modification Requests

Workload Increases

The Museum Store operation of the Publications Program is an enterprise operation which needs sufficient spending authority to replenish stock and provide sufficient staff to serve tourists and mail order customers. The MHS Press operation of the Publications Program is committed to publishing three books in the coming biennium; therefore, it will need the services of an editor and sufficient spending authority in goods-purchased-for-resale to produce the books. We request the addition of one (1.00 FTE) Grade 5 Store Clerk and one (1.00 FTE) Grade 12 Editor to be paid from generated funds of this program to provide the necessary services.

Cost: FY 1986 - $ 75,531 FY 1987 - $ 75,545

HIST SITES PRESERVATION PROG BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.00	5.00	7.00	7.00
Personal Services	128,638.64	110,481	160,930	161,103
Operating Expenses	24,646.21	25,575	61,416	59,654
Equipment	639.18	0	1,566	1,500
Total Program Costs	$153,924.03	$136,056	$223,912	$222,257
General Fund	67,826.52	67,841	74,703	73,778
Federal & Other Spec Rev Fund	86,097.51	68,215	149,209	148,479
Total Funding Costs	$153,924.03	$136,056	$223,912	$222,257
Current Level Services	134,136.11	136,056	149,407	147,556
Modified Level Services	19,787.92	0	74,505	74,701
Total Service Costs	$153,924.03	$136,056	$223,912	$222,257

Program Description

The staff of the Historical Sites Preservation Program administer the federal Historic Preservation Act and the federal grants-in-aid for historic preservation. They also review all federally proposed projects within the state to determine their effect on historical properties listed in the National Register of Historic Places and those eligible for listing. The office certifies historic structures and rehabilitation projects for the federal tax credit offered in the Tax Reform Act of 1976 and oversees Montana's State Antiquties Act. The program is authorized by section 22-3-421, MCA.

Budget Issues

Modification Requests

Workload Increases

The Preservation Office's workload has increased as a result of State agency commitment, within the last two years, to meeting State statute requirements for stewardship of heritage properties on state land. Correspondence with state agencies has increased sixfold in the last two years. An amendment to the State Antiquities Act passed in 1983 permits the agency to nominate historic districts to the National Register of Historic Places. The inability to do so for five years created a backlog of communities seeking district nomination. Failure to secure nomination precludes developers in those communities from using federal tax incentives for preservation. To meet these increased commitments we request the addition of a Archeologist/Anthropologist (1.00 FTE) and a Survey and Registration Assistant (1.00 FTE). Operational expenses and additional FTE are to be paid from the Historic Sites Preservation fund.

Cost: FY 1986 - $ 74,505 FY 1987 - $ 74,701

ARCHIVES PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	10.32	9.50	8.50	8.50
Personal Services	221,418.17	188,746	196,867	197,315
Operating Expenses	26,892.29	17,793	18,244	18,172
Equipment	3,848.73	3,955	3,253	5,800
Total Program Costs	$252,159.19	$210,494	$218,364	$221,287
General Fund	189,082.95	203,758	199,072	201,938
State Special Revenue Fund	38,125.31	0	0	0
Federal & Other Spec Rev Fund	24,950.93	6,736	19,292	19,349
Total Funding Costs	$252,159.19	$210,494	$218,364	$221,287
Current Level Services	237,076.27	210,494	205,808	208,674
Modified Level Services	15,082.92	0	12,556	12,613
Total Service Costs	$252,159.19	$210,494	$218,364	$221,287

Program Description

The Archives Program was created as a separate program of the society on July 1, 1977. Its major functions are to acquire, preserve, and assure public access to historically valuable private manuscripts, state records and photographs. Authority for its activities is provided for in section 22-3-202, MCA.

Budget Issues

Because of their funding status by Cultural and Aesthetic grant funds, a historian and an administrative assistant I were deleted from this program (1.50 FTE). The approximately $30,000 cost of the FTE reduction plus $5,791 reduction in operating expenses due to the removal of the Oral History project causes this program budget request to be below current level expenditures.

Modification Requests

Workload Increases

The Society requests an increase in appropriation to the Photo Archives Revolving fund for purchase of darkroom supplies and materials, audio tapes for provision of copies, and the hiring of a part-time cataloger (0.50 FTE). This request accommodates necessary activities of the subprograms and will be paid from earned funds of the Photography Program.

Cost: FY 1986 - $ 12,556 FY 1987 - $ 12,613

EDUCATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.50	2.50	2.50	2.50
Personal Services	37,498.68	48,166	47,920	48,151
Operating Expenses	26,246.58	52,495	37,625	40,878
Equipment	301.03	0	0	0
Total Program Costs	$64,046.29	$100,661	$85,545	$89,029
General Fund	12,828.65	31,792	20,838	23,987
Federal & Other Spec Rev Fund	51,217.64	68,869	64,707	65,042
Total Funding Costs	$64,046.29	$100,661	$85,545	$89,029
Current Level Services	64,046.29	100,661	85,545	89,029
Total Service Costs	$64,046.29	$100,661	$85,545	$89,029

Program Description

The Education Program staff provide the interested public with access to Historical Society resources through thematic presentations using reproductions or facsimiles of its collections. The program's activities include interpretation of exhibits within the building or on historical sites, coordination of volunteer programs, provision of professional assistance to other cultural organizations in Montana, development and implementation of school programs, sponsorship of lectures and traveling exhibits, and coordination of the capital tours program.

Budget Issues

Base year expenditures are low for this program, because it was not a legislative year which resulted in less expenditures for tour guides and printing costs than anticipated in appropriated amounts. The $7,000 increase for printing costs in FY 1986 and $10,000 for extra tour guides in FY 1987 reflect more accurately anticipated expenditures and cause this request to exceed the base year FY 1984 expenditures.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Personal Services	5,525.00	4,350	5,525	5,525
Operating Expenses	18,913.82	21,740	19,613	19,795
Total Agency Costs	$24,438.82	$26,090	$25,138	$25,320
General Fund	24,438.82	26,090	25,138	25,320
Total Funding Costs	$24,438.82	$26,090	$25,138	$25,320
Current Level Services	24,438.82	26,090	25,138	25,320
Total Service Costs	$24,438.82	$26,090	$25,138	$25,320

Agency Description

The Montana Constitution gives the Board of Regents the authority to supervise, coordinate, manage, and control the Montana University System (Article X, Section 9). The Regents also supervise and coordinate the three community colleges (Flathead Valley, Miles City, and Dawson). To carry out these duties, the regents review existing programs, explore new program needs, establish new programs, and relocate or terminate programs. The regents also evaluate university presidents, make system-wide budget recommendations to the Executive and Legislature, supervise federal higher education programs, and operate a guaranteed student loan program.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	6.00	6.00	7.00	7.00
Personal Services	149,139.71	163,766	186,953	187,427
Operating Expenses	56,673.24	47,911	80,949	79,902
Equipment	13,578.93	5,000	17,900	6,400
Total Agency Costs	$219,391.88	$216,677	$285,802	$273,729
General Fund	218,897.38	216,677	285,802	273,729
Federal & Other Spec Rev Fund	494.50	0	0	0
Total Funding Costs	$219,391.88	$216,677	$285,802	$273,729
Current Level Services	218,897.38	216,677	246,591	234,511
Modified Level Services	494.50	0	39,211	39,218
Total Service Costs	$219,391.88	$216,677	$285,802	$273,729

Agency Description

As authorized in section 20-31-102, MCA, the Fire Services Training School exists to organize, supervise, and coordinate training and education for fire service personnel in the state in accordance with local needs and the standards established by the State Board of Public Education, and develop an deliver public fire safety education programs in the state. The board provides general supervision of the school, which is located in Great Falls at the Vocational-Technical Center.

FIRE SERVICES TRAINING SCHOOL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.00	6.00	7.00	7.00
Personal Services	149,139.71	163,766	186,953	187,427
Operating Expenses	56,673.24	47,911	80,949	79,902
Equipment	13,578.93	5,000	17,900	6,400
Total Program Costs	$219,391.88	$216,677	$285,802	$273,729
General Fund	218,897.38	216,677	285,802	273,729
Federal & Other Spec Rev Fund	494.50	0	0	0
Total Funding Costs	$219,391.88	$216,677	$285,802	$273,729
Current Level Services	218,897.38	216,677	246,591	234,511
Modified Level Services	494.50	0	39,211	39,218
Total Service Costs	$219,391.88	$216,677	$285,802	$273,729

Program Description

The Fire Services Training School administers and maintains a resource center for use by localities; provides regional, local, and state-wide training programs for fire services personnel; develops courses in training materials; maintains a network of unsalaried field instructors and offers a fire service professional certification program.

Budget Issues

Modification Requests

Workload Increase
Since 1979 the number of resource center mailings has increased by 360 percent without additional staff to care for maintenance and processing of films. Certification applications have increased from an average of 12.5 per year from 1978 to 1982. Applications in 1983 increased to 194. With additional certification levels being developed, greater activity in this program will result. Requests for lesson plans from unsalaried field instructors generally go unanswered because of the lack of time for duplication of such materials.

In order to effectively process these workload increases we request general fund for an additional (1.00 FTE) Secretary II to relieve instructors who presently handle these clerical duties.

Cost: FY 1986 - $ 15,474 FY 1987 - $ 15,481

Funding Change
The Public Fire Safety Education program was formerly provided by the Fire Services Training School through federal grants awarded for this purpose. Measured results for this program indicates that loss of life and property was reduced when the program was in operation. For example, fire deaths have increased from 13 annually

FIRE SERVICES TRAINING SCHOOL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.00	6.00	7.00	7.00

to 23. During the first half of this year, 12 deaths have occurred. We wish to receive general fund to carry on this program.

Cost: FY 1986 - $ 15,456 FY 1987 - $ 15,456

New Service
General fund is requested to contract with fire chiefs in various areas of the state for the purpose of providing specific instructional services necessary to honor requests which cannot be fulfilled with current funding and staffing of the Fire Services Training School.

Cost: FY 1986 - $ 8,281 FY 1987 - $ 8,281

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	511.29	460.47	495.85	496.73
Personal Services	12,250,846.28	11,736,296	12,664,086	12,701,195
Operating Expenses	7,800,483.98	6,935,111	8,493,825	8,506,531
Equipment	357,641.72	795,232	1,558,023	1,248,662
Capital Outlay	516,269.79	0	37,073	28,000
Grants	1,137,497.47	1,188,523	622,729	622,729
Transfers	713,760.79	920,000	3,353,046	2,936,644
Total Agency Costs	$22,776,500.03	$21,575,162	$26,728,782	$26,043,761
General Fund	624,729.30	659,430	624,730	624,730
State Special Revenue Fund	15,028,813.30	14,579,615	16,798,697	16,180,659
Federal & Other Spec Rev Fund	5,637,064.41	4,539,898	7,066,167	6,946,754
Proprietary Fund	1,485,893.02	1,796,219	2,239,188	2,291,618
Total Funding Costs	$22,776,500.03	$21,575,162	$26,728,782	$26,043,761
Current Level Services	21,082,185.46	21,575,162	21,496,115	21,385,005
Modified Level Services	1,694,314.57	0	5,232,667	4,658,756
Total Service Costs	$22,776,500.03	$21,575,162	$26,728,782	$26,043,761

Agency Description

The purpose of the Department of Fish, Wildlife and Parks is to preserve, protect, enhance, maintain and make available to present and future generations all forms of Montana's wildlife, their habitat and the natural and cultural resources of aesthetic, scenic, historic, scientific and archaeological significance. The department's statewide responsibility in service to wildlife and habitat preservation reaches back over 83 years to the establishment in 1901 of a state game warden and early departmental structure. Since 1965, the department has also been responsible for the administration of the State Parks System in Montana. The Nongame and Endangered Species Conservation Act charges the department with the management of nongame wildlife for human enjoyment, for scientific purposes, and to ensure their perpetuation as members of ecosystems. The department is provided for in section 2-15-3401, MCA, and is regulated by Title 87, MCA.

CENTRALIZED SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	43.32	42.66	46.52	46.52
Personal Services	895,171.73	930,582	1,031,121	1,032,494
Operating Expenses	2,332,152.68	1,820,136	2,109,468	2,078,656
Equipment	110,265.74-	505,000	597,726	659,295
Transfers	0.00	920,000	275,000	176,000
Total Program Costs	$3,117,058.67	$4,175,718	$4,013,315	$3,946,445
State Special Revenue Fund	1,491,461.64	1,637,320	1,735,071	1,599,024
Federal & Other Spec Rev Fund	245,966.34	850,633	293,006	291,597
Proprietary Fund	1,379,630.69	1,687,765	1,985,238	2,055,824
Total Funding Costs	$3,117,058.67	$4,175,718	$4,013,315	$3,946,445
Current Level Services	3,012,159.81	4,175,718	3,488,049	3,516,207
Modified Level Services	104,898.86	0	525,266	430,238
Total Service Costs	$3,117,058.67	$4,175,718	$4,013,315	$3,946,445

Program Description

The Centralized Services Division is an administrative and support unit that has two bureaus:

The Accounting and Finance Bureau - provides supervision of the functions of: budgeting; property accounting; deposit of funds; personnel; payment of vendor invoices; payroll; and monitors the finances of the department's vehicle fleet, print shop and warehouse operations.

The License Bureau - conducts the drawings for licenses and permits for moose, sheep, goat, antelope, elk and deer, and administers the sale of hunting and fishing licenses through license dealers.

Budget Issues

Program FTE increases .86 FTE due to a department reorganization. The department pays for janitorial and maintenance services based on 22,966 sq. ft. at costs of $1.90/sq. ft. in FY 1986 and $1.91/sq. ft. in FY 1987.

Modification Request

Workload Increase
The number of special license applications has doubled in four years. Additional personnel and operating costs are required to meet this workload. License fees provide funding. 1.00 FTE.

Cost: FY 1986 - $ 24,733 FY 1987 - $ 24,039

CENTRALIZED SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	43.32	42.66	46.52	46.52

Workload Increase
The word processing workload has increased to the point additional personnel are needed. License fees support the request. 1.00 FTE.

Cost: FY 1986 - $ 18,834 FY 1987 - $ 18,841

New Program
Purchasing functions for the department are done state-wide. Because of the volume of purchasing done by the department it is necessary to centralize all purchasing. This should provide better control and coordination of purchases and provide cost efficiencies. Various earmarked funds provide funding. 1.00 FTE.

Cost: FY 1986 - $ 23,840 FY 1987 - $ 23,430

Expanded Services
Department vehicle operations are funded in an internal service account based on a mileage rate charged to the various programs. Travel costs associated with new and expanded service requests require budgeting costs in the various programs and a like amount in Central Services.

Cost: FY 1986 - $182,859 FY 1987 - $187,928

Expanded Services
The request will increase the current legislative contract authority. The legislative contract authority permits the department to begin programs that previously required budget amendments. Federal funds

Cost: FY 1986 - $ 40,000 FY 1987 - $ 40,000

Expanded Services
This request is for additional vehicle internal service funds related to increased legislative contract authority. The various programs are charged a mileage rate on vehicles. These programs budget mileage funds and the Central Services program must budget an equal amount. Federal funds

Cost: FY 1986 - $135,000 FY 1987 - $136,000

New Program
Budget statute revisions enacted by the 48th Legislature require legislative permission to transfer funds between accounts. The department proposes a transfer of license fees to the proprietary funds in the print shop and warehouse. When the proprietary accounts were established in 1980 inadequate cash was transferred. The transfer of $100,000 in FY 1985 is an effort to eliminate any further loans.

Cost: FY 1986 - $100,000

FIELD SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	29.07	22.01	30.50	30.50
Personal Services	746,638.44	599,182	823,712	825,232
Operating Expenses	296,275.65	220,598	434,856	436,843
Equipment	4,370.12	10,800	50,142	113,125
Capital Outlay	2,810.79	0	33,573	28,000
Transfers	0.00	0	45,000	45,000
Total Program Costs	$1,050,095.00	$830,580	$1,387,283	$1,448,200
State Special Revenue Fund	1,049,551.14	595,146	1,012,628	1,075,381
Federal & Other Spec Rev Fund	543.86	235,434	374,655	372,819
Total Funding Costs	$1,050,095.00	$830,580	$1,387,283	$1,448,200
Current Level Services	1,049,551.14	830,580	1,190,466	1,252,090
Modified Level Services	543.86	0	196,817	196,110
Total Service Costs	$1,050,095.00	$830,580	$1,387,283	$1,448,200

Program Description

The Field Services Division staff provide liaison between the Directors Office and Regional Supervisors, perform all department personnel activities, coordinate the statewide game damage control program and manage all aircraft activities.

Budget Issues

The request maintains the program at current level.

The Field Services program was created by reorganization. All regional supervisors, planning functions, department aviators and portions of the defunct Ecological Services program are assigned to this program. A total of 29.00 FTE from other current level programs are involved in this reorganization.

Modification Requests

Expanded Services
This request will allow the department to increase insurance coverage for employees involved in use of agency aircraft. License fees provide funding.

Cost: FY 1986 - $ 24,000 FY 1987 - $ 24,000

Expanded Services
The request will increase the departments resources to reduce game damage to agricultural interests. License fees fund the request. .50 FTE.

Cost: FY 1986 - $ 52,277 FY 1987 - $ 52,281

FIELD SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	29.07	22.01	30.50	30.50

New Program
This request allows the department to hire a data processing programmer/analyst to rewrite existing programs, continue to update the department data processing plan and provide support to personnel involved in agency data processing. Federal indirect costs provide funding. 1.00 FTE.

Cost: FY 1986 - $ 30,540 FY 1987 - $ 29,829

Expanded Services
This request will expand the current legislative contract authority. The legislative contract authority permits the department to begin programs that previously required budget amendments. Federal funds.

Cost: FY 1986 - $ 45,000 FY 1987 - $ 45,000

New Program
The request permits the department to expend insurance settlements received for damage to department buildings. Insurance proceeds fund the request.

Cost: FY 1986 - $ 25,000 FY 1987 - $ 25,000

New Program
The request permits the department to begin an insurance program to reimburse stockowners for animals shot by hunters. License fees requested.

Cost: FY 1986 - $ 20,000 FY 1987 - $ 20,000

FISHERIES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	125.20	86.01	99.29	99.29
Personal Services	2,798,003.81	2,086,360	2,488,404	2,492,430
Operating Expenses	1,210,705.92	830,215	1,197,907	1,188,660
Equipment	88,913.84	32,470	130,150	98,730
Capital Outlay	0.00	0	3,500	0
Grants	5,000.00	16,000	16,000	16,000
Transfers	0.00	0	1,247,000	1,201,000
Total Program Costs	$4,102,623.57	$2,965,045	$5,082,961	$4,996,820
State Special Revenue Fund	2,596,922.70	2,423,841	2,782,128	2,782,640
Federal & Other Spec Rev Fund	1,505,700.87	541,204	2,300,833	2,214,180
Total Funding Costs	$4,102,623.57	$2,965,045	$5,082,961	$4,996,820
Current Level Services	3,223,582.26	2,965,045	3,446,044	3,436,870
Modified Level Services	879,041.31	0	1,636,917	1,559,950
Total Service Costs	$4,102,623.57	$2,965,045	$5,082,961	$4,996,820

Program Description

The staff of the Fisheries Division manage Montana's fisheries resources to provide optimum sport fishing for Montana's resident and nonresident anglers. They also regulate commercial use of nongame fish and fishing areas where commercial operations are compatible with sport fishing.

Budget Issues

The request reflects an increase of 4.78 FTE as the result of reorganization. The program receives 8.92 FTE from the defunct Ecological Services program and transfers 4.14 FTE to other programs.

The request reflects an increase in Dingell-Johnson (D-J) funds. A 25% state license match is required. An expansion of the D-J funds through a new federal tax on certain recreational equipment is expected to expand funding available to Montana. However, the exact dollar amount is unknown as are specific uses for these new funds.

Modification Requests

New Program
Request would permit the Department to conduct an angler preference study. Data collected will be used for seasonsetting, fishing site access development, expanding management information. Funding is 75% federal, 25% license fees. .50 FTE.

Cost: FY 1986 - $ 73,762 FY 1987 - $ 81,351

FISHERIES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	125.20	86.01	99.29	99.29

New Program
Increased development in the Clark Fork River drainage requires new efforts to determine the impacts of development on fish populations and habitat. In response to a recent study of the Clark Fork the department moved personnel and equipment to the river from other state projects. The modification requests funding and FTE to conduct studies and allow current level projects to continue. Funding is fishing license fees. 3.00 FTE.

Cost: FY 1986 - $ 92,945 FY 1987 - $ 76,083

New Program
The department assumed operation of the federal hatchery at Miles City on 1 April 1983. To operate the hatchery at full capacity and to have staff available when the proposed new Miles City hatchery is completed in the spring of 1987 additional FTE's and operating costs are required. Funding is fishing license fees. 2.00 FTE.

Cost: FY 1986 - $ 48,804 FY 1987 - $ 53,084

New Program
This modification will extend the Missouri River Study from Holter Dam upstream past Canyon Ferry. Funding is fish license fees. 2.00 FTE.

Cost: FY 1986 - $ 50,739 FY 1987 - $ 50,754

New Program
This request would allow the department to continue the water purchase from Painted Rocks for diversion into the Bitterroot River. This effort began when the 48th Legislature approved a grant to purchase water for increasing river flows to maintain the fishery and irrigation activities year around. Fishing license fees.

Cost: FY 1986 - $ 20,000 FY 1987 - $ 20,000

Expanded Services
The request would increase the legislative contract authority. The legislature contract authority permits the department to begin programs that previously required budget amendments.

Cost: FY 1986 - $1,247,000 FY 1987 - $1,201,000

New Program
This request allows the department to begin a water reservation plan on those Missouri River headwaters that do not already have water reservations. Funding is 75% federal, 25% fishing license fees.

Cost: FY 1986 - $ 78,000 FY 1987 - $ 52,000

New Program
This request would allow the department to conduct fishery studies of the streams and lakes in the Beaverhead National Forest. Funding is fishing license fees. 1.00 FTE.

Cost: FY 1986 - $ 25,667 FY 1987 - $ 25,678

LAW ENFORCEMENT DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	89.44	90.33	87.83	87.83
Personal Services	2,591,892.08	2,805,510	2,598,169	2,602,673
Operating Expenses	785,673.87	1,075,710	875,597	880,939
Equipment	195,889.77	100,300	84,014	56,000
Transfers	272,840.79	0	374,000	374,000
Total Program Costs	$3,846,296.51	$3,981,520	$3,931,780	$3,913,612
State Special Revenue Fund	3,761,315.23	3,914,076	3,847,780	3,829,612
Federal & Other Spec Rev Fund	84,981.28	67,444	84,000	84,000
Total Funding Costs	$3,846,296.51	$3,981,520	$3,931,780	$3,913,612
Current Level Services	3,645,934.10	3,981,520	3,693,883	3,675,298
Modified Level Services	200,362.41	0	237,897	238,314
Total Service Costs	$3,846,296.51	$3,981,520	$3,931,780	$3,913,612

Program Description

The Enforcement Division staff are responsible for protecting fish and wildlife and their habitat and for protecting recreation, historical, and archaeological sites from willful or negligent destruction. The staff coordinate training in the areas of hunter, boat, and snowmobile safety. They also maintain field administration of license agents and administer the provisions of special purpose licenses and permits. The 1981 Legislature established the Conservation Officer Program to increase enforcement of game laws by using non-enforcement personnel.

Budget Issues

The budget request includes a request to transfer $290,000 per year from fines collected to the game warden's retirement account as mandated in 19-8-504 MCA.

Three FTE in the boat safety and hunter safety projects are transferred to Conservation Education as part of the reorganization authorized by the 48th Legislature. The Coal Strip warden position is deleted from current level as Coal Tax funding is not available.

Modification Request

New Program
In order to increase the arrests of game violators a reward incentive program is requested. The use of a special telephone number and payment of rewards is expected to increase the number of game violations reported.

Cost: FY 1986 - $ 11,020 FY 1987 - $ 11,438

Workload Increase
This modification requests funds to increase the warden travel allocation by 200,000

LAW ENFORCEMENT DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	89.44	90.33	87.83	87.83

miles per year. The increased mileage is necessary to allow wardens to cover additional parks, participate in special saturation patrols and provide coverage for stream navigability issues.

Cost: FY 1986 - $ 54,080 FY 1987 - $ 54,080

New Services
This modification will expand the current legislative contract authority by $84,000 per year. The legislative contract authority permits the department to begin programs that previously required budget amendments.

Cost: FY 1986 - $ 84,000 FY 1987 - $ 84,000

New Services
A special enforcement capability is requested to allow flexibility to meet additional enforcement needs in parks, saturation patrols and special investigations. Funding is license revenue. .50 FTE.

Cost: FY 1986 - $ 47,896 FY 1987 - $ 47,829

Workload Increase
A warden is needed in the Coal Strip area to meet demands of population growth in the area. Funding from the Coal Board was not approved. License revenues requested. 1.00 FTE.

Cost: FY 1986 - $ 40,901 FY 1987 - $ 40,967

WILDLIFE DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	103.19	82.08	95.49	95.76
Personal Services	2,629,232.98	2,183,720	2,614,343	2,625,101
Operating Expenses	1,631,305.26	1,440,521	1,919,928	1,990,610
Equipment	62,193.09	62,925	243,260	83,618
Grants	19,274.38	61,988	26,729	26,729
Transfers	0.00	0	1,015,000	978,000
Total Program Costs	$4,342,005.71	$3,749,154	$5,819,260	$5,704,058
State Special Revenue Fund	2,154,925.37	2,083,654	2,618,911	2,533,920
Federal & Other Spec Rev Fund	2,187,080.34	1,665,500	3,200,349	3,170,138
Total Funding Costs	$4,342,005.71	$3,749,154	$5,819,260	$5,704,058
Current Level Services	3,874,719.66	3,749,154	4,168,063	4,134,196
Modified Level Services	467,286.05	0	1,651,197	1,569,862
Total Service Costs	$4,342,005.71	$3,749,154	$5,819,260	$5,704,058

Program Description

The goal of the Wildlife Division is to protect, perpetuate, enhance, and regulate the wise use of the wildlife resource for public benefit now and in the future.

The program staff are responsible for the department's survey, inventory, and research of the state's wildlife resource and its habitat. This work provides a biological basis for game and fur season recommendations to the commission each year. The staff maintain cooperation with federal and state agencies, organizations, landowners, and sportsmen in programs affecting wildlife in the state. The division staff also operate and maintain the department's wildlife management areas in the state, which total 270,000 acres.

Budget Issues

The request reflects an increase in federal Pitman-Robinson (PR) funds. These funds require a 25% state match.

Non-game funds from the income tax check off program initiated by the 48th Legislature are included in the request.

A reorganization transfers 8.71 FTE into this program from the defunct ecological services program and transfers 1.00 FTE to conservation education and 1.00 to field services.

Modification Requests

New Program
A hunter survey to determine hunter preferences would be conducted. This information would be used to establish season, charge regulations and be used in

WILDLIFE DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	103.19	82.08	95.49	95.76

long range planning efforts. Funding is 75% federal, 25% license. .50 FTE.

Cost: FY 1986 - $ 71,107 FY 1987 - $ 79,719

New Program
This request would allow the department to conduct research into bear populations. Data would be used for management of all bear species in Montana. License revenues provide funding. 2.25 FTE.

Cost: FY 1986 - $ 106,409 FY 1987 - $ 104,019

New Program
Additional funds are required to increase the departments information on wildlife populations. This information will be used to predict future game populations, set seasons and gain management information. Federal funds 75%, State funds 25%.

Cost: FY 1986 - $ 206,653 FY 1987 - $ 208,398

New Program
The request would provide for water rights investigations and gathering baseline data to begin a waterfowl habitat improvement program. A new state waterfowl stamp program must be initiated by the legislature. Private funds will be utilized for actual purchase of habitat and improvements. FY 1987 .27 FTE.

Cost: FY 1986 - $ 5,755 FY 1987 - $ 44,241

New Program
The department would establish a landowner/hunter program to allow hunting on private property under the supervision of department personnel. The department would assign hunting areas and patrol these areas. License revenues provide funds. 2.10 FTE.

Cost: FY 1986 - $ 72,705 FY 1987 - $ 72,720

New Program
This request would allow the department to conduct intensive management studies of furbearing animals. Funding for the project is derived from the revenues generated by increased trapping fees authorized by the 48th Legislature. .50 FTE.

Cost: FY 1986 - $ 32,535 FY 1987 - $ 31,813

Workload Increase

Increasing weed problems on wildlife management lands requires increased weed control efforts. Funds are provided from license fees.

Cost: FY 1986 - $ 20,395 FY 1987 - $ 20,419

Workload Increase
Data processing requirements at the Research Office require the addition of 1.00 FTE to provide continuity and to research new data processing methods. Data processing

WILDLIFE DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	103.19	82.08	95.49	95.76

functions are presently done by contractors. The current level budget has been reduced to fund this request. Funding is 75% federal, 25% state. 1.00 FTE.

Cost: FY 1986 - $ 30,438 FY 1987 - $ 30,533

New Program
This request would allow the department to buy equipment originally purchased with federal funds. The purchase price would be at a depreciated level. Funds are license fees.

Cost: FY 1986 - $ 90,200

New Service
This modification will expand the current legislature contract authority. The legislative contract authority permits the department to begin programs that previously required budget amendments.

Cost: FY 1986 - $1,015,000 FY 1987 - $ 978,000

RECREATION & PARKS DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	87.13	89.63	100.21	100.57
Personal Services	1,596,217.20	1,777,100	1,968,424	1,977,369
Operating Expenses	897,510.61	885,575	1,218,612	1,167,070
Equipment	55,599.99	41,100	233,107	199,890
Capital Outlay	11,931.50	0	0	0
Grants	1,033,223.09	1,030,535	500,000	500,000
Transfers	0.00	0	290,046	117,644
Total Program Costs	$3,594,482.39	$3,734,310	$4,210,189	$3,961,973
General Fund	624,729.30	659,430	624,730	624,730
State Special Revenue Fund	1,821,121.34	1,935,891	2,831,509	2,601,449
Federal & Other Spec Rev Fund	1,042,369.42	1,030,535	500,000	500,000
Proprietary Fund	106,262.33	108,454	253,950	235,794
Total Funding Costs	$3,594,482.39	$3,734,310	$4,210,189	$3,961,973
Current Level Services	3,579,482.39	3,734,310	3,462,192	3,477,555
Modified Level Services	15,000.00	0	747,997	484,418
Total Service Costs	$3,594,482.39	$3,734,310	$4,210,189	$3,961,973

Program Description

The staff of the Recreation and Parks Division are responsible for the operation and maintenance of the State Parks System, including state parks, recreation areas, monuments, recreational waterways, recreational roads and trails, and fishing access sites. They are also responsible for: conservation of the scenic, historic, archaeological, scientific and recreational resources of the state; the administration of the Federal Land and Water Conservation Fund in Montana; and the administration of snowmobile recreation in Montana, by providing for maintenance and installation of snowmobile facilities.

Budget Issues

The request proposes that no further purchases of property for parks be made until the department completes the inventory of property as mandated by the 48th Legislature. The department will report to the 49th Legislature the status of the inventory.

The capitol grounds maintenance and snow removal function was transferred to the department by the 48th Legislature. The request proposes a 4% inflation of existing maintenance efforts and adds costs for the new DNRC building , the old liquor warehouse and the Old Governor's Mansion. The revolving account includes in FY 1986, $119,428 and in FY 1987, $123,458 which is used to calculate other agency costs for grounds maintenance.

Federal funds in the Lands and Water Conservation (LWCF) program are expected to decrease to $500,000 per year.

RECREATION & PARKS DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	87.13	89.63	100.21	100.57

Modification Requests

New Program
This request would permit the hiring of a landscape architect to work on the Capitol complex projects, long range building plan, fishing access sites and public parks. Various earmarked funds. 1.00 FTE.

Cost: FY 1986 - $ 29,125 FY 1987 - $ 28,113

New Program
Provides personnel and operational costs to operate and maintain newly purchased Les Mason Park, Springmeadow Lake, Elkhorn Monument and Glen Lake Recreation area. Funds from Coal Tax Trust. FY 1986 - 2.11 FTE, FY 1987 - 2.14 FTE.

Cost: FY 1986 - $ 53,457 FY 1987 - $ 45,921

Expanded Program
Provides personnel and operational costs to increase fee collections at various state parks. Funding from motor boat fuel tax. 2.72 FTE.

Cost: FY 1986 - $ 42,860 FY 1987 - $ 38,776

New Program
This proposal will require legislative action to allow coal tax trust fund use in parks purchased with non-coal tax funds. The eleven parks are currently supported by general funds. Proposal funds general operation and maintenance costs.

Cost: FY 1986 - $ 60,003 FY 1987 - $ 50,012

New Program
The request provides operation and maintenance costs for Lone Pine State Park and Visitor Center. Proposal requires legislative action to allow use of coal tax trust funds in a park purchased with other than coal tax trust funds. 1.00 FTE.

Cost: FY 1986 - $ 14,893 FY 1987 - $ 14,610

New Program
This request permits the department to establish new lease payments on various state owned property at Canyon Ferry, Deadman's Basin and Painted Rocks. This requires an appraisal of each property to determine the value. The lease fee is proposed to be 5% of the appraised cost. Funds from motorboat fuel tax.

Cost: FY 1986 - $ 52,000 FY 1987 - $ 0
Expanded Service
This request would provide maintenance and weed control for new fishing sites on the Gallatin, Jefferson and Madison Rivers. Fishing license fees. .25 FTE.

Cost: FY 1986 - $ 3,640 FY 1987 - $ 3,643

RECREATION & PARKS DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	87.13	89.63	100.21	100.57

New Program
This proposal would establish a new revolving account to purchase new snow groomers for snowmobile trails. Funds are transferred from the snowmobile fuel tax account. If this proposal is accepted, the modification to buy out existing snow grooming must be accepted. Funds are snowmobile fuel tax.

Cost: FY 1986 - $100,000 FY 1987 - $100,000

New Program
This proposal would establish a new revolving account to buy new or replace existing snow groomers. Future purchases of snow groomers would be done from cash received from charges to the users of the snow groomers. A transfer of $268,500 from the snowmobile fuel tax account establishes the acccunt. An additional $145,190 is necessary to buy out existing equipment and transfer that equipment to the groomer replacement account.

Cost: FY 1986 - $290,046 FY 1987 - $117,644

New Program
Operational costs are necessary to maintain the new sites at Harper Lake, Deep Creek and Georgetown Lake. Motorboat fuel taxes. .80 FTE.

Cost: FY 1986 - $ 19,116 FY 1987 - $ 16,289

New Program
Request allows operational costs for maintenance at various recreational sites in Region 7. These existing sites need to be brought up to standard to meet current public use. Coal trust tax fund and motorboat fuel tax. 1.00 FTE.

Cost: FY 1986 - $ 15,405 FY 1987 - $ 15,411

Workload Increase
The request allows a half-time FTE to become full FTE parks manager for Region 6 parks. The manager is responsible for all parks maintenance schedules, budgets and enforcement. Motorboat fuel tax and fishing license fees. .50 FTE.

Cost: FY 1986 - $ 21,469 FY 1987 - $ 19,829

Workload Increase
Request allows additional costs for general operation and maintenance of recreational sites in Region 5. Coal tax and license funds. .50 FTE.

Cost: FY 1986 - $ 6,340 FY 1987 - $ 6,342

Workload Increase
This request provides funds to increase the departments weed control efforts. As state land holdings increase the weed control problem expands. Coal trust tax interest and motorboat fuel tax.

Cost: FY 1986 - $ 10,608 FY 1987 - $ 10,608

RECREATION & PARKS DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	87.13	89.63	100.21	100.57

New Program
Provides for operational costs for Bannock State Park. An interpreter for visitors and increased security are requested. Legislative action to allow use of coal tax trust fund in a park purchased with other than coal trust fund is required to fund the request. .15 FTE.

Cost: FY 1986 - $ 2,561 FY 1987 - $ 2,500

New Program
The department has assumed control of the Sommers rest area from the Department of Highways. This area has been used as a boat launch. Motorboat fuel tax supports the request. .39 FTE.

Cost: FY 1986 - $ 17,544 FY 1987 - $ 7,546

New Program
This request will allow the department to assume responsibility of the Newlan Creek Reservoir operations and maintenance. The area is currently being maintained by a private group. Motorboat fuel tax. .10 FTE.

Cost: FY 1986 - $ 2,690 FY 1987 - $ 1,867

New Program
The department would map all existing utility, water and telephone rights-of-way on the Capitol Complex. No consolidated map exists. Revolving funds. .33 FTE.

Cost: FY 1986 - $ 6,240 FY 1987 - $ 5,307

CAPITAL OUTLAY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	16,168.62	0	0	0
Capital Outlay	501,527.50	0	0	0
Transfers	440,920.00	0	0	0
Total Program Costs	$958,616.12	$0	$0	$0
State Special Revenue Fund	629,616.12	0	0	0
Federal & Other Spec Rev Fund	329,000.00	0	0	0
Total Funding Costs	$958,616.12	$0	$0	$0
Current Level Services	958,616.12	0	0	0
Total Service Costs	$958,616.12	$0	$0	$0

Program Description

The Capital Outlay Program supports the Department in land acquisition and development activities. Costs attributable to the purchase of parks and big game habitat are budgeted in this program.

CONSERVATION EDUCATION DIVISIO BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	19.25	18.25	23.00	23.25
Personal Services	542,396.42	537,857	657,294	662,150
Operating Expenses	402,713.30	343,417	492,528	518,975
Equipment	12,183.30	350	44,424	37,404
Transfers	0.00	0	30,000	30,000
Total Program Costs	$957,293.02	$881,624	$1,224,246	$1,248,529
State Special Revenue Fund	813,708.08	805,777	1,109,926	1,132,488
Federal & Other Spec Rev Fund	143,584.94	75,847	114,320	116,041
Total Funding Costs	$957,293.02	$881,624	$1,224,246	$1,248,529
Current Level Services	955,893.02	881,624	1,064,670	1,083,665
Modified Level Services	1,400.00	0	159,576	164,864
Total Service Costs	$957,293.02	$881,624	$1,224,246	$1,248,529

Program Description

The Conservation Education Division exists to assist the department in reaching its overall goals through well-designed public information and education programs. The program informs the public about fish and wildlife laws, administrative rules and policies that are designed to regulate outdoor recreation activities; creates a public awareness of the responsibilities of the Department of Fish, Wildlife and Parks in state government and in the management of fish, wildlife and parks; educates the public about the needs of fish and wildlife and the importance of other natural and cultural resources associated with outdoor recreation; informs citizens of issues that may affect fish, wildlife, parks and various forms of outdoor recreation; fosters good will and support for the department and its programs; and encourages communication and cooperation among sportsmen, landowners, and the department.

Budget Issues

The request increases current level 2.00 FTE due to a department reorganization which transferred the Hunter Safety and Boat Safety programs from Enforcement Division.

Modification Request

New Program
This request will permit the department to begin extensive use of video tape in the production of educational and training programs in hunter safety, boat safety, snowmobile safety and youth education areas. Funding from various earmarked accounts. 1.00 FTE

Cost: FY 1986 - $ 52,530 FY 1987 - $ 54,233

CONSERVATION EDUCATION DIVISIO BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.25	18.25	23.00	23.25

Expanded Services
The addition of new programs to the division will require increased clerical support. Funding is license fees. 1.00 FTE

Cost: FY 1986 - $ 16,178 FY 1987 - $ 16,202

Expanded Services
The request increase the Legislative contract authority. The Legislative contract authority permits the department to begin programs that previously required budget amendments. Federal funds

Cost: FY 1986 - $ 30,000 FY 1987 - $ 30,000

Expanded Services
This request will permit the department to increase the circulation of "Montana Outdoors" magazine through subscription discounts and a more varied format. License fees and motor boat fuel taxes support request.

Cost: FY 1986 - $ 32,176 FY 1987 - $ 33,030

New Program
Current department regulations are prepared under a contract. This request will permit the department to prepare all regulations using department staff. This should insure the departments ability to prepare regulations without the use of outside assistance. General license fees support the request. .50 FTE

Cost: FY 1986 - $ 12,584 FY 1987 - $ 12,957

New Program
This request will permit the department to enhance the quality of hunter safety classes. The department will add new audio-visual aids and training films. Also increased travel by department staff and computerization of student data is requested. License fees support the request. .25 FTE in FY1986 and .50 FTE in FY1987.

Cost: FY 1986 - $ 16,108 FY 1987 - $ 18,442

ADMINISTRATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.69	29.50	13.01	13.01
Personal Services	451,293.62	815,985	482,619	483,746
Operating Expenses	227,978.07	318,939	244,929	244,778
Equipment	48,757.35	42,287	175,200	600
Grants	80,000.00	80,000	80,000	80,000
Transfers	0.00	0	77,000	15,000
Total Program Costs	$808,029.04	$1,257,211	$1,059,748	$824,124
State Special Revenue Fund	710,191.68	1,183,910	860,744	626,145
Federal & Other Spec Rev Fund	97,837.36	73,301	199,004	197,979
Total Funding Costs	$808,029.04	$1,257,211	$1,059,748	$824,124
Current Level Services	782,246.96	1,257,211	982,748	809,124
Modified Level Services	25,782.08	0	77,000	15,000
Total Service Costs	$808,029.04	$1,257,211	$1,059,748	$824,124

Program Description

The staff of the Administration Program provide the executive leadership functions of the Fish and Game Commission, the Director's Office, and associated staff services. The commission sets department policies and priorities and regulates the harvest of fish, game and furbearers through regulations establishing seasons and bag limits. The Director's Office provides executive direction for the department's overall program and implements policies established by the Legislature, Governor, and the Fish and Game Commission.

Budget Issues

The request reflects the reorganization approved by the 48th Legislature. Total FTE decreases from 29.50 to 13.01.

Modification Request

New Service
This modification will expand the current legislative contract authority. The Legislative contract authority permits the department to begin programs that previously required budget amendments. Federal funds.

Cost: FY 1986 - $ 15,000 FY 1987 - $ 15,000

New Program
This request is a one-time transfer of state license funds into a federal account to pay the state portion of various projects completed prior to FY 1984. License fees support the request.

Cost: FY 1986 - $ 62,000 FY 1987 - $ 0

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	229.15	224.18	240.25	240.25
Personal Services	5,898,366.97	5,758,322	6,486,142	6,486,452
Operating Expenses	7,773,069.62	6,929,050	10,870,525	11,559,970
Equipment	174,701.48	27,823	142,129	10,655
Grants	6,160,649.12	5,563,074	5,871,611	5,927,764
Total Agency Costs	$20,006,787.19	$18,278,269	$23,370,407	$23,984,841
General Fund	3,490,653.25	3,537,879	3,761,154	3,685,258
State Special Revenue Fund	1,291,327.39	1,650,346	1,999,200	2,093,724
Federal & Other Spec Rev Fund	15,224,806.55	13,090,044	17,610,053	18,205,859
Total Funding Costs	$20,006,787.19	$18,278,269	$23,370,407	$23,984,841
Current Level Services	18,436,917.08	18,278,269	19,240,200	19,321,650
Modified Level Services	1,569,870.11	0	4,130,207	4,663,191
Total Service Costs	$20,006,787.19	$18,278,269	$23,370,407	$23,984,841

Agency Description

The Department of Health and Environmental Sciences was created to protect and promote the health of the people of Montana through the implementation of beneficial public health programs and the enforcement of public health laws and regulations. It is the responsibility of the department staff to assess health care needs and problems in cooperation with local and private sources, to develop and implement programs designed to meet health needs and alleviate problems, and to continually evaluate current public health programs.

The department administers the Maternal and Child Health (MCH) Block Grant and the Preventive Health (PHB) Block Grant and twenty three categorical grants from the federal government.

The department is provided for in section 2-15-2101, MCA, and its general powers and duties are specified in section 50-1-202, MCA.

DIRECTOR'S PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.00	13.00	12.00	12.00
Personal Services	427,050.30	419,970	398,778	399,878
Operating Expenses	319,958.88	217,747	193,779	194,450
Grants	10,260.00	10,260	638,509	663,571
Total Program Costs	$757,269.18	$647,977	$1,231,066	$1,257,899
General Fund	510,855.24	404,363	518,970	515,683
Federal & Other Spec Rev Fund	246,413.94	243,614	712,096	742,216
Total Funding Costs	$757,269.18	$647,977	$1,231,066	$1,257,899
Current Level Services	757,269.18	647,977	1,231,066	1,257,899
Total Service Costs	$757,269.18	$647,977	$1,231,066	$1,257,899

Program Description

The Director's Office provides for the overall management and policy development of the department. Included within the office are responsibilities for the Board of Health, and legal unit and functions directly related to the Director.

Budget Issues

Individual budgets and narratives for these program areas are presented on the following pages.

DIRECTOR BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.00	8.00	9.00	9.00
Personal Services	278,722.71	273,691	301,727	302,425
Operating Expenses	296,554.25	181,711	168,029	168,520
Grants	10,260.00	10,260	638,509	663,571
Total Program Costs	$585,536.96	$465,662	$1,108,265	$1,134,516
General Fund	502,037.96	382,163	396,169	392,300
Federal & Other Spec Rev Fund	83,499.00	83,499	712,096	742,216
Total Funding Costs	$585,536.96	$465,662	$1,108,265	$1,134,516
Current Level Services	585,536.96	465,662	1,108,265	1,134,516
Total Service Costs	$585,536.96	$465,662	$1,108,265	$1,134,516

Program Description

The Director's Program provides for the overall management and policy development of the department. Included in this program are the deputy director, personnel, public information, and planning functions.

Budget Issues

The FTE level for the Director's Office increases by one clerical position from FY85. This position was transferred from the Management Services Division in FY84.

Several changes occur within the operating portion of the Director's Office. Within the 1985 biennium budget are one-time appropriations of $165,800 for family practice training and the health information center which are not carried into the 1987 biennium.

As discussed within the Legal Bureau's narrative, it is recommended that the recharge system be modified. In line with this recommendation, legal costs are reduced from $23,000 expended ($64,000/year requested) to $5,000 per year. The $5,000 is for the potential need of private legal counsel. It is suggested this amount be line itemed.

Travel is increased to allow for program review of maternal and child health (MCH) and preventive health block grant contracts.

Included in this recommendation is $125,000 per year for the Renal Program.

MCH Block grants to counties are transferred to the Director's Office from the Clinical Services Bureau and reflect current level. Also included within the grant category is $11,270 per year for rape crisis grants. This level is mandated within the Preventive Health Block Grant.

BOARD OF HEALTH BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Personal Services	2,800.00	4,350	3,150	3,150
Operating Expenses	6,017.28	17,850	15,488	15,488
Total Program Costs	$8,817.28	$22,200	$18,638	$18,638
General Fund	8,817.28	22,200	18,638	18,638
Total Funding Costs	$8,817.28	$22,200	$18,638	$18,638
Current Level Services	8,817.28	22,200	18,638	18,638
Total Service Costs	$8,817.28	$22,200	$18,638	$18,638

Program Description

The Board of Health is a quasi-judicial board appointed by the Governor to advise the Department of Health and Environmental Sciences in public health matters.

Budget Issues

The budget recommendation for the Board of Health reflects legal costs and per diem expenses for the Board members. Legal costs of $8,000 per year are included; these costs were within the Director's budget in FY84. The number of Board meetings are anticipated to increase with the expanded activity of Certificate of Need and environmental issues. Per diem costs increase correspondingly.

LEGAL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.00	5.00	3.00	3.00
Personal Services	145,527.59	141,929	93,901	94,303
Operating Expenses	17,387.35	18,186	10,262	10,442
Total Program Costs	$162,914.94	$160,115	$104,163	$104,745
General Fund	0.00	0	104,163	104,745
Federal & Other Spec Rev Fund	162,914.94	160,115	0	0
Total Funding Costs	$162,914.94	$160,115	$104,163	$104,745
Current Level Services	162,914.94	160,115	104,163	104,745
Total Service Costs	$162,914.94	$160,115	$104,163	$104,745

Program Description

The Legal Services Program staff have primary responsibility to provide legal representation for the department. They also enforce several federal statutes, such as the Federal Clean Air Act, the Resource and Recovery Act, the Clean Water Act, and their implementing regulations.

Budget Issues

During the 1985 biennium, the Legal Bureau operated with three lawyers, two support staff and was on a total recharge system. The recharge system has proven to be inefficient and no longer cost effective, resulting in many bureaus not receiving the level of legal assistance needed.

Too often, legal needs went unmet in FY84 and FY85. With the significant increase in litigation, legal budgets calculated in 1983 were insufficient, forcing the Legal Bureau to assist only those bureaus with sufficient legal funding. Also, the increasing legal needs of the department could not be met with the current staff. Insufficient legal budgets and an understaffed legal unit resulted in enforcement actions that were delayed or not undertaken; continuance of administrative rules which were not in compliance with federal regulations; and the inability of department personnel to receive legal advice on department-related matters.

To assure that the bureaus receive the legal assistance necessary to carry out state and federal requirements, it is recommended that the following changes be made:

- The heaviest users of the legal unit have historically been the bureaus within the Environmental Sciences Division. It is recommended that one of the current lawyers be transferred to the Water Quality Bureau and one new lawyer position be split between the Solid Waste and Air Quality Bureaus. Two half-time support positions and related operating costs would be transferred to the three bureaus.

- The remaining two lawyers, two half-time support positions and operating costs would remain in the legal unit funded 100% from the general fund. These lawyers

LEGAL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.00	5.00	3.00	3.00

would report to the Director and would meet the legal needs of the rest of the department. Programs where the budget contained other funds would be charged for legal assistance with collections deposited to the general fund.

FINANCIAL MANAGEMENT DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	29.50	28.50	27.50	27.50
Personal Services	644,693.35	623,117	620,750	621,766
Operating Expenses	179,518.24	176,102	231,101	202,333
Equipment	0.00	879	17,916	0
Total Program Costs	$824,211.59	$800,098	$869,767	$824,099
General Fund	265,616.52	245,514	279,803	245,355
State Special Revenue Fund	81,359.34	85,000	72,269	72,203
Federal & Other Spec Rev Fund	477,235.73	469,584	517,695	506,541
Total Funding Costs	$824,211.59	$800,098	$869,767	$824,099
Current Level Services	805,337.71	800,098	822,919	795,103
Modified Level Services	18,873.88	0	46,848	28,996
Total Service Costs	$824,211.59	$800,098	$869,767	$824,099

Program Description

The Financial Management Division is responsible for the department's grant reporting, budgeting, accounting service and vital statistics reporting. The Department of Health consists of 56 individual and distinct subprograms which receives funding from 23 categorical grants, two block grants and limited general fund support. The staff of the Records and Statistics Bureau administer the vital statistics system of the state which include births, deaths, marriages, divorces, induced abortions, and publication of the Montana Vital Statistics reports. The Fiscal Services Bureau maintains the Statewide Budget and Accounting System (SBAS), purchasing, mailroom, and centralized cashier functions for the department.

Budget Issues

Individual budgets and narratives for these program areas are presented on the following pages.

FINANCIAL SERVICES DIV. ADMIN. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	3.00	3.00	3.00	3.00
Personal Services	94,923.51	93,587	93,169	93,250
Operating Expenses	46,566.93	55,162	52,339	54,687
Total Program Costs	$141,490.44	$148,749	$145,508	$147,937
General Fund	55,138.87	22,341	45,508	17,937
Federal & Other Spec Rev Fund	86,351.57	126,408	100,000	130,000
Total Funding Costs	$141,490.44	$148,749	$145,508	$147,937
Current Level Services	141,490.44	148,749	145,508	147,937
Total Service Costs	$141,490.44	$148,749	$145,508	$147,937

Program Description

The Financial Management Division is responsible for the department's grant reporting, budgeting, accounting service and vital statistics reporting. The Department of Health consists of 56 individual and distinct subprograms which receives funding from 23 categorical grants, two block grants and limited general fund support. The staff of the Records and Statistics Bureau administer the vital statistics system of the state which include births, deaths, marriages, divorces, induced abortions, and publication of the Montana Vital Statistics reports. The Fiscal Services Bureau maintains the Statewide Budget and Accounting System (SBAS), purchasing, mailroom, and centralized cashier functions for the department.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

The increase from FY86 to FY87 in operating expenses is for liability insurance.

FISCAL BUREAU BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	12.00	11.00	11.00	11.00
Personal Services	254,234.82	235,508	246,446	246,948
Operating Expenses	73,317.56	50,328	107,826	66,170
Total Program Costs	$327,552.38	$285,836	$354,272	$313,118
Federal & Other Spec Rev Fund	327,552.38	285,836	354,272	313,118
Total Funding Costs	$327,552.38	$285,836	$354,272	$313,118
Current Level Services	308,678.50	285,836	329,272	288,118
Modified Level Services	18,873.88	0	25,000	25,000
Total Service Costs	$327,552.38	$285,836	$354,272	$313,118

Program Description

The Fiscal Services Bureau is responsible for establishing and operating the Department's accounting system, receipting all cash, paying all bills, procuring all supplies, materials and services, processing incoming and outgoing mail, providing auditing functions, maintaining inventory control, producing federal financial reports, preparing state financial reports, and establishing and maintaining accounts receivable system.

Budget Issues

A current level budget is recommended for the Fiscal Bureau. The increase in current level expenditures from FY84 is a result of the legislative audit fee ($42,000) in FY86 and a $1500 printing increase in both years. Only $32,300 of the $39,300 legislative audit appropriation was expended in FY84. Expenditures decrease in FY87 as audit fees are present only in FY86.

Modification Requests

Workload Increase
Child Nutrition Audits - The department requests $25,000 per year to contract for child nutrition audits. Funding is 100% federal.

RECORDS & STATISTIC BUREAU BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.50	14.50	13.50	13.50
Personal Services	295,535.02	294,022	281,135	281,568
Operating Expenses	59,633.75	70,612	70,936	81,476
Equipment	0.00	879	17,916	0
Total Program Costs	$355,168.77	$365,513	$369,987	$363,044
General Fund	210,477.65	223,173	234,295	227,418
State Special Revenue Fund	81,359.34	85,000	72,269	72,203
Federal & Other Spec Rev Fund	63,331.78	57,340	63,423	63,423
Total Funding Costs	$355,168.77	$365,513	$369,987	$363,044
Current Level Services	355,168.77	365,513	348,139	359,048
Modified Level Services	0.00	0	21,848	3,996
Total Service Costs	$355,168.77	$365,513	$369,987	$363,044

Program Description

The Bureau of Records and Statistics operates Montana's vital statistics system. This bureau provides services to persons and agencies based on certificates for individuals and also produces statistical tabulations and analysis based on vital records and other public health data. Statistical and consultative services are provided to the Department and local health agencies.

Budget Issues

The current level 1987 biennium budget for the Records and Statistics Bureau shows a reduction from 1985 of 1.00 FTE due to the elimination of a vacant programmer analyst position.

Operating expenses increase from FY86 to FY87 due to a one-time printing cost of $9,450. The standard certificates of birth, death, fetal death, marriage divorce and abortion are revised once every ten years and must be reprinted. The next revision is scheduled for distribution in 1987. The National Center for Health Statistics will notify the bureau in the first quarter of 1987 of the required changes. Forms will be revised and ordered at that time.

Another increase in operating is the cost of microfilming the birth index of $150 per year. This would allow the department to maintain and access the files immediately for walk-in customers.

The yearly request for $5,810 in charges for legal assistance is not included in the bureau's budget. The Director's Office legal staff will provide direct assistance to the bureau.

Modification Request

RECORDS & STATISTIC BUREAU BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.50	14.50	13.50	13.50

New Services

Vital Records Phase II. General fund is requested to purchase an additional 64K of memory, as well as a CRT terminal and printer. This purchase will allow uninterrupted data entry of the birth indexing project and immediate availability of birth certificate copies. This one-time equipment purchase will cost $21,848 in FY86 and $3,996 in FY87.

ENVIRONMENTAL SCIENCES DIV. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	86.05	84.08	95.75	94.75
Personal Services	2,331,168.02	2,290,561	2,698,721	2,676,776
Operating Expenses	1,416,080.35	1,014,624	3,089,453	3,711,296
Equipment	115,197.48	19,644	46,369	3,655
Grants	1,038,361.20	1,282,489	1,282,305	1,316,403
Total Program Costs	$4,900,807.05	$4,607,318	$7,116,848	$7,708,130
General Fund	1,186,326.63	1,256,497	1,255,151	1,242,819
State Special Revenue Fund	1,078,237.31	1,473,816	1,787,934	1,882,524
Federal & Other Spec Rev Fund	2,636,243.11	1,877,005	4,073,763	4,582,787
Total Funding Costs	$4,900,807.05	$4,607,318	$7,116,848	$7,708,130
Current Level Services	4,833,342.82	4,607,318	4,550,769	4,571,603
Modified Level Services	67,464.23	0	2,566,079	3,136,527
Total Service Costs	$4,900,807.05	$4,607,318	$7,116,848	$7,708,130

Program Description

The Division of Environmental Sciences is concerned with maintaining human health and environmental quality. Emphasis is directed toward studying the existing environment and determining whether it is safe, or if hazards are found, to specify corrective measures. The ultimate objective is to predict potentially hazardous situations and through corrective actions, prevent damage to human health and the environment.

The Division is implemented through the activities of five bureaus: The Air Quality Bureau, Food and Consumer Safety Bureau, Occupational Health Bureau, Solid Waste Management Bureau, and Water Quality Bureau. The bureaus work individually and collectively on various environmental health problems and projects. The Environmental Sciences Division provides an element of continuity to the operation of the bureaus, assisting in determining the direction of each bureau, and serving as the focal point of leadership for cooperative projects. The division also provides interdepartment and interagency assistance along with its administrative and long-range planning duties.

Budget Issues

Individual budgets and narratives for these program areas are presented on the following pages.

ENVIRON SCIENCES DIVISION ADMI BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	3.00	3.00	3.00	3.00
Personal Services	98,514.62	99,045	102,624	102,873
Operating Expenses	13,798.24	15,138	10,903	10,889
Total Program Costs	$112,312.86	$114,183	$113,527	$113,762
General Fund	58,997.83	59,229	0	0
State Special Revenue Fund	22,167.23	22,485	78,763	78,881
Federal & Other Spec Rev Fund	31,147.80	32,469	34,764	34,881
Total Funding Costs	$112,312.86	$114,183	$113,527	$113,762
Current Level Services	112,312.86	114,183	113,527	113,762
Total Service Costs	$112,312.86	$114,183	$113,527	$113,762

Program Description

The Environmental Sciences Division Administration provides for the administration, management and coordination of the Air Quality, Food and Consumer Safety, Occupational Health, Solid and Hazardous Waste Management, and Water Quality Bureaus and their varied programs protecting environmental health in Montana.

Each of the five bureau chiefs report directly to the division administrator. The administrator works with his counterparts in other state and local agencies, as well as with federal officials, particularly representatives of the U. S. Environmental Protection Agency. This office is responsible for the review of environmental impact statements and assessments prepared by other state and federal agencies, the coordination and/or preparation of technical and administrative reports and the planning and implementation of special projects.

Budget Issues

The recommended budget level for the Environmental Sciences Division Administrator decreases slightly within operating expenses from the 1985 beinnium level. This is caused by a reduction of legal costs and the recommendation that the legal counsel within the Environmental Science Division assist the administrator in any legal needs.

It is recommended that this program be funded with resource indemnity trust funds, junk vehicle funds and federal funds.

SOLID WASTE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	13.30	12.33	19.00	19.00
Personal Services	344,078.01	286,135	486,976	487,598
Operating Expenses	536,796.96	243,516	2,298,762	2,977,817
Equipment	1,317.30	0	14,604	0
Grants	574,164.70	762,015	782,885	814,983
Total Program Costs	$1,456,356.97	$1,291,666	$3,583,227	$4,280,398
General Fund	125,991.07	128,430	75,172	75,029
State Special Revenue Fund	705,870.40	1,001,585	1,328,056	1,420,105
Federal & Other Spec Rev Fund	624,495.50	161,651	2,179,999	2,785,264
Total Funding Costs	$1,456,356.97	$1,291,666	$3,583,227	$4,280,398
Current Level Services	1,456,356.97	1,291,666	1,307,828	1,334,726
Modified Level Services	0.00	0	2,275,399	2,945,672
Total Service Costs	$1,456,356.97	$1,291,666	$3,583,227	$4,280,398

Program Description

The Solid Waste Management Bureau administers six environmental health programs. The laws associated with these programs include:

Montana Solid Waste Management Act: This act provides for control over the disposal of solid wastes through licensing, technical assistance, inspection and enforcement activities.

Refuse Disposal District Act: This allows county governments to establish districts for the financing and management of solid waste disposal. The bureau provides technical assistance during the formation of districts.

Motor Vehicle Recycling and Disposal Act: This regulatory program controls the shielding and disposal of junk motor vehicles. The bureau licenses junk vehicle graveyards and makes sure they are screened from public view; provides annual grants to each county to finance the establishment and maintenance of junk vehicle graveyards; and is responsible for the disposal of junk vehicles to the graveyards.

Septic Tank Cleaner Act: This regulatory program provides for the licensing of septic tank pumpers.

Montana Hazardous Waste Act: This program controls generation, transportation, treatment, storage and disposal of hazardous wastes. Persons treating, storing or disposing of hazardous waste must obtain a permit from the department. The bureau performs inspections, provides technical assistance and, if necessary, takes enforcement actions.

Superfund Act: The act allows the DHES to enter into agreements for investigating potentially hazardous disposal sites to determine if past disposal practices are resulting in threats to public health or the environment. The

SOLID WASTE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	13.30	12.33	19.00	19.00

bureau also performs studies to determine the most cost-effective method of cleaning-up a contaminated site.

Budget Issues

The current level budget recommendation for the Solid Waste Bureau reflects several changes.

Current level FTE decreases by .83 from the FY85 budgeted level. A full time environmental engineer for the superfund program is removed from the FY84 base and appears as a modification request. The same occurs for a .33 FTE environmental specialist who works for the hazardous waste inventory program. Two quarter time support staff are transferred from the Legal Bureau to provide legal assistance as described within the Legal Bureau's narrative. A half time lawyer is also requested and appears as a modification.

Included within the Junk Vehicle Program is $100,000 per year should the salvage value drop below the cost of crushing and transporting junk vehicles. The Hazardous Waste Program has a current general fund match of 25%. It is recommended the general fund be replaced with resource indemnity trust funds (RIT) as provided in 15-38-202 MCA, which dedicates 6% of RIT interest income to implement Montana's Hazardous Waste Act. Also included for this program is $10,000 per year for the planning of an in-state hazardous waste facility.

A display writer is requested, the cost will be shared between the Hazardous Waste and Junk Vehicle Programs.

Modification Requests

Workload Increase

Hazardous Waste - The Hazardous Waste Program requests an additional environmental engineer, two environmental specialists and one half time secretary at a cost of $135,486 in FY86 and $129,181 in FY87. This increase is in response to recently proposed federal legislation. It is likely that the current quantity exemption for hazardous waste will be reduced from 1000 kg to a value between 0 and 100 kg, increasing the number of Montana businesses subject to Montana's hazardous waste disposal requirements by approximately 1000. Also, Congress is considering tighter regulations governing municipal landfills to better control amounts and types of hazardous wastes. Funding for this modification is from RIT and federal funds. There is a strong possibility that if this legislation passes 100% federal money will be made available. In that instance, it is requested that the RIT funds be transferred to the Superfund Program.

Hazardous Waste Inventory - Federal funds have been made available to continue the hazardous waste inventory effort which was approved during the 1983 legislature. Funds are used to conduct preliminary assessments of uncontrolled hazardous waste sites. Funding of $41,941 in FY86 and $41,801 in FY87 would support 1.5 FTE.

SOLID WASTE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	13.30	12.33	19.00	19.00

Superfund - The Superfund hazardous waste cleanup program requests funding of $2,082,558 in FY86 and $2,759,270 in FY87. RIT funds would provide the 10% required match as provided in 15-38-202 MCA. Montana was recently notified that three more Montana sites have been put on the national "top" priority list for cleanup. This makes five sites of such designation within Montana. Two FTE per year are included in this request. Because the activity level is so hard to predict in this program, a biennial appropriation is recommended.

Lawyer - A half-time lawyer is added per the recommendation for the Legal Bureau. The cost is $15,414 in FY86 and $15,420 in FY87.

AIR QUALITY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	18.50	17.50	19.50	19.50
Personal Services	487,826.47	473,994	548,457	549,748
Operating Expenses	437,486.47	279,741	241,386	242,679
Equipment	111,553.51	6,000	6,305	400
Grants	95,000.00	95,000	95,000	95,000
Total Program Costs	$1,131,866.45	$854,735	$891,148	$887,827
General Fund	280,113.90	310,657	326,071	326,077
State Special Revenue Fund	295.38	0	0	0
Federal & Other Spec Rev Fund	851,457.17	544,078	565,077	561,750
Total Funding Costs	$1,131,866.45	$854,735	$891,148	$887,827
Current Level Services	1,097,402.22	854,735	827,322	823,898
Modified Level Services	34,464.23	0	63,826	63,929
Total Service Costs	$1,131,866.45	$854,735	$891,148	$887,827

Program Description

The Air Quality Bureau is responsible for the implementation of the Montana and Federal Clean Air Acts (75-2-101 and 42 USC 7401 et. seq., respectively). These Acts require the Department to attain and maintain air quality levels in the outdoor atmosphere considered safe to public health and welfare. Among the many programs necessary to accomplish this task include:

Permit Review. Reviews of facilities before construction begins are conducted to assure compliance with air quality standards are maintained.

Inspections/Enforcement. To assure continued compliance with air quality standards, a scheduled program of inspections is followed with enforcement actions taken where appropriate.

Ambient Air Quality Monitoring. Continued surveillance of the air quality status across the state is provided by over 60 monitoring stations.

State Implementation Plan (SIP). The SIP is the primary vehicle used to develop plans to bring areas currently out of compliance with ambient air quality standards down to levels which are considered safe.

Special Studies. Special studies are conducted to solve or research various air quality issues. Some of the more prominent issues have been: a. East Helena Childhood Lead Study, b. Billiings Sulfur Doxide Source Apportionment Study, and c. Libby Particulate Study.

Information Requests. The bureau responds to numerous requests for information about the nature of air quality in their area and complaints about various facilities.

AIR QUALITY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	18.50	17.50	19.50	19.50

Budget Issues

The current level budget request for the Air Quality Bureau reflects a reduction of $30,000 per year in anticipated legal costs. This reduction is offset with the addition of a half time lawyer (requested as a modification), two quarter time support staff which are transferred from the Legal Bureau and related operating costs for a total cost of $30,000 per year.

Field monitoring equipment for $5500 and office equipment for $405 is requested for FY86.

Modification Requests

New Services
Tribal Assistance - One FTE is added to assist Tribal organizations with their air monitoring programs. Technical assistance and training will be offered in the generation of timely and accurate reporting of air monitoring data. This position and related operating costs were added through budget amendment in FY84 and are 100% federally funded. The cost of this modification is $48,412 in FY86 and $48,509 in FY87.

Lawyer. A half time lawyer is requested as discussed in the Legal Bureau's narrative. The cost is $15,414 in FY86 and $15,420 in FY87.

OCCUPATIONAL HEALTH BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.00	4.00	5.00	5.00
Personal Services	125,284.18	126,886	152,570	152,691
Operating Expenses	40,691.88	45,631	53,738	53,651
Equipment	1,900.00	9,500	14,500	0
Total Program Costs	$167,876.06	$182,017	$220,808	$206,342
General Fund	167,876.06	182,017	220,808	206,342
Total Funding Costs	$167,876.06	$182,017	$220,808	$206,342
Current Level Services	167,876.06	182,017	179,736	172,258
Modified Level Services	0.00	0	41,072	34,084
Total Service Costs	$167,876.06	$182,017	$220,808	$206,342

Program Description

The Occupational Health Bureau administers the Radiological and Occupational Health Programs.

Radiological Health (MCA 75-3-101 through 502) provides: inspections of approximately 2000 X-ray units for safety, calibration and quality assurance; special studies to determine human health risks resulting from exposures to naturally-occuring and technologically-enhanced radionuclides; response to all emergencies in Montana involving radioactive materials; and technical assistance to users of radiation and radioactive materials to assure proper safety procedures.

Occupational Health (MCA 50-70-101 through 118) provides: field investigations, technical assistance and information in response to about 600 requests per year; special studies of hazardous occupational exposures in selected categories of workplaces; technical assistance regarding occupational health problems to local governments and other individuals and agencies; and emergency response assistance during incidents involving hazardous or toxic materials.

Budget Issues

The current level budget for Occupational Health increases slightly over the 1985 biennium. The Beckman Wide Bata 11 Counter was not utilized fully as a result of bureau priorities. Due to the limited use, a maintenance contract was not carried during FY84. $2700 per year is requested to place this machine on a maintenance contract as the machine will be used year round in the coming years. Lab gas of $2500 per year is requested. A surplus in FY84 eliminated the need to purchase any gas.

Currently the bureau maintains a manual filing system for inspections, complaints and follow-ups. It is recommended that $7500 in FY86 be used to purchase a small desk computer to automate this function.

OCCUPATIONAL HEALTH BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.00	4.00	5.00	5.00

Modification Requests

Workload Increases

X-Ray Inspections - One FTE is recommended to assist in the inspection of x-ray machines. Currently there is one person dedicated to the inspection of over 2000 machines and is unable to maintain an adequate inspection program. Funding of $41,072 in FY86 and $34,084 in FY87 is from the general fund.

WATER QUALITY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	37.25	37.25	40.25	39.25
Personal Services	994,364.29	1,018,032	1,132,675	1,107,572
Operating Expenses	326,423.83	363,939	431,999	372,896
Equipment	271.20	3,844	10,805	3,100
Grants	187,356.00	221,474	200,420	200,420
Total Program Costs	$1,508,415.32	$1,607,289	$1,775,899	$1,683,988
General Fund	211,208.88	222,736	304,861	305,558
State Special Revenue Fund	168,063.80	245,746	177,115	177,538
Federal & Other Spec Rev Fund	1,129,142.64	1,138,807	1,293,923	1,200,892
Total Funding Costs	$1,508,415.32	$1,607,289	$1,775,899	$1,683,988
Current Level Services	1,475,415.32	1,607,289	1,590,117	1,591,146
Modified Level Services	33,000.00	0	185,782	92,842
Total Service Costs	$1,508,415.32	$1,607,289	$1,775,899	$1,683,988

Program Description

The Water Quality Bureau is responsible for administering Montana's Water Pollution Control, Sanitation in Subdivisions, Water and Wastewater Operators Certification and the Safe Drinking Water Acts. To carry out these responsibilities the bureau performs the following principle activities:

Water Supply - About 2,000 public community and non-community supplies are monitored by water testing, inspections and plan review.

Construction Grants - The federal construction grant program makes funds available to assist municipalities in the construction of sewage treatment facilities. Project priorities are determined, plans are reviewed and construction inspections are provided.

Permits and Enforcement - The bureau administers both federal and state wastewater discharge permit acts by issuing permits, reviewing monitoring reports and treatment plans, inspecting facilities and providing enforcement.

Water Quality Management - This section monitors water quality in streams and provides water quality assessments and cleanup plans for problem areas.

Water and Wastewater Operator Certification and Training - Persons in responsible charge of water supply and wastewater treatment facilities are required to be certified. Study material is provided and examinations are given. About 1,200 operators are certified.

Subdivisions - Proposed parcels of less than 20 acres are reviewed to ensure that adequate water supplies and sewage disposal is provided.

WATER QUALITY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	37.25	37.25	40.25	39.25

Budget Issues

Current level FTE increases as one lawyer is transferred from the Legal Bureau. This position will be dedicated to the legal needs of the Water Quality Bureau. Legal costs for the bureau exceeded $56,000 in FY84 and the 1987 biennium request was for $72,000 per year. Salary and related support costs for the lawyer will approximate $42,000 per year.

An additional $7,000 per year is recommended for the inspections of public water systems in counties that no longer wish to provide their own inspections or are not meeting the annual inspections requirements.

Additional travel is recommended for the Subdivision Program for increased field inspection activity which was cut back due to uncertain funding.

The equipment request reflects $4000 in FY86 to purchase a terminal, screen and printer. This equipment would allow Construction Grants to meet EPA requirements and participate in the EPA/COE Capdet computer program for cost analysis of all projects. The remaining equipment is miscellaneous field and office equipment.

An increase in current level grants of $45,600 per year occurs in four areas. Subdivision grants to counties for subdivision review increases by $14,000 per year and reflects the increased lot review fee established by the last legislature. $15,000 per year is included for the continued monitoring of Flathead Lake. Construction Grants requests an additional $11,600 per year for the preliminary planning of waste water facilities in communities that cannot afford this expense. It is requested that the county payment of $40 per inspection of public water supplies be increased to $45, adding approximately $5,000 per year.

General fund for this bureau increases 40%. Two funding recommendations cause this increase. It is recommended that $43,000 per year of general fund be used to partially fund the Subdivision Section. This amount would support a core staff of 1.5 FTE and related operating costs. The fluctuation in subdivision activity and related cash flow problems makes it difficult to operate this program. Core general fund support would allow for a smoother transition in adjusting the staffing pattern to meet the activity levels and in dealing with cash flow problems. It is recommended that any balance in the subdivision account at FYE that exceeds $50,000 be deposited to the general fund.

The Water Quality Management Section was able to use a three year allocation of federal 205j funds for FY84 and FY85, offsetting the general fund by over $100,000. A normal two year allocation of 205j money is available for the 1987 biennium requiring an increase in general fund support of $90,000 for the 1987 biennium.

Modification Requests

Expanded Services
Clark Fork Study - The Clark Fork Study, which started in FY84, will be completed in FY86. Federal funds of $93,004 and one environmental specialist are requested to finish this comprehensive water quality monitoring project.

WATER QUALITY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	37.25	37.25	40.25	39.25

Groundwater Pollution Control. An hydrogeologist position and related operating expenses are requested to expand the state groundwater pollution control program. Increasing complaints and groundwater problems could be addressed if approved. Funding of $92,778 in FY86 and $92,842 in FY87 is 100% federally funded.

FOOD AND CONSUMER SAFETY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	10.00	10.00	9.00	9.00
Personal Services	281,100.45	286,469	275,419	276,294
Operating Expenses	60,882.97	66,659	52,665	53,364
Equipment	155.47	300	155	155
Grants	181,840.50	204,000	204,000	206,000
Total Program Costs	$523,979.39	$557,428	$532,239	$535,813
General Fund	342,138.89	353,428	328,239	329,813
State Special Revenue Fund	181,840.50	204,000	204,000	206,000
Total Funding Costs	$523,979.39	$557,428	$532,239	$535,813
Current Level Services	523,979.39	557,428	532,239	535,813
Total Service Costs	$523,979.39	$557,428	$532,239	$535,813

Program Description

The Food and Consumer Safety Bureau is charged with the administration of 13 laws which deal with the Food, Drug, and Cosmetic Act; food serving establishments; public accommodations; mobile home parks and campgrounds; swimming pools; misquito control; schoolhouses; the Clean Indoor Air Act; institutions and jails; pesticide control; upholstery control; nuisances and the general state and local board of health laws.

The Bureau is the primary provider of continuing education, field training consultation, and technical and general support to 62 sanitarians employed by 35 local public health jurisdictions which serve 55 of Montana's 56 counties.

Budget Issues

The current level budget for Food and Consumer Safety decreases slightly from the 1985 biennium due to the transfer of an FTE and a reduction in legal costs.

In personal services, a word processing operator was transferred to Management Services reducing the FTE to 9.00. There is only a slight decrease reflected in personal services expenditures because an entomologist position was vacant a portion of FY84. This position is currently filled.

The yearly request for $10,800 in charges for legal assistance is not included in the bureau's budget. The Director's Office legal staff will provide direct assistance to the bureau.

Although the overall budget decreases in the 1987 biennium, an increase is seen in travel expenses. The entomologist position mentioned above, partially vacant in FY84 and now filled, will require additional in-state travel of $1,200 each year of the 1987 biennium.

FOOD AND CONSUMER SAFETY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	10.00	10.00	9.00	9.00

The repair and maintenance costs for the bureau-owned vehicle also increases from $130 to $300 yearly. The vehicle was under warranty a portion of FY84.

MANAGEMENT SERVICES DIV. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	25.50	27.50	25.00	25.00
Personal Services	599,536.11	651,570	610,173	611,085
Operating Expenses	215,066.65	256,628	228,145	232,026
Equipment	48,520.00	1,257	56,000	0
Total Program Costs	$863,122.76	$909,455	$894,318	$843,111
General Fund	517,282.22	563,067	473,449	458,282
State Special Revenue Fund	109,944.96	61,530	93,400	93,400
Federal & Other Spec Rev Fund	235,895.58	284,858	327,469	291,429
Total Funding Costs	$863,122.76	$909,455	$894,318	$843,111
Current Level Services	863,122.76	909,455	894,318	843,111
Total Service Costs	$863,122.76	$909,455	$894,318	$843,111

Program Description

The Management Services Division provides several services in support of Departmental and local health programs. These include:

- Information and referral, records and property management planning and evaluation, internal policy development and implementation, laboratory certification and word and data processing in support of departmental programs;

- Maintenance and distribution of health related audio visual aids to public health professionals, hospitals, and private non profit facilities;

- Microbiological testing and consultation to hospitals, physicians and public health facilities; and

- Environmental laboratory testing (chemical analyses) of food for contaminants, air and water testing, and occupational health tests.

Budget Issues

Individual budgets and narratives for these program areas are presented on the following pages.

MANAGEMENT SERV. DIV. ADMIN. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.50	10.50	9.00	9.00
Personal Services	172,174.57	198,990	186,126	186,250
Operating Expenses	42,313.89	37,505	46,277	49,116
Equipment	48,520.00	1,257	8,400	0
Total Program Costs	$263,008.46	$237,752	$240,803	$235,366
General Fund	164,971.28	177,239	165,931	164,336
State Special Revenue Fund	48,520.00	0	18,000	18,000
Federal & Other Spec Rev Fund	49,517.18	60,513	56,872	53,030
Total Funding Costs	$263,008.46	$237,752	$240,803	$235,366
Current Level Services	263,008.46	237,752	240,803	235,366
Total Service Costs	$263,008.46	$237,752	$240,803	$235,366

Program Description

Management Services Administration provides:

- word processing services to the entire department as well as the Division;
- maintenance and distribution of health related audio visual aids to public health professionals, hospitals, and private nonprofit facilities; as well as
- general management and operation of information and referral, research, records and property management, planning and evaluation, internal policy development and implementation, laboratory registrations and certification, reporting of laboratory results, logging in and distribution of laboratory specimens and resource management.

Budget Issues

The budgeted FTE level for the Management Services Administration Program was 10.50 for the 1985 biennium. During FY84, a clerical position was transferred to the Director's Office and the reference librarian was transferred to Health Planning. For the 1987 biennium, one clerical position will be added through a transfer from the Food and Consumer Safety; a .5 film librarian position will be deleted as will a full time clerical position. All these changes result in an FTE level of 9.00 for the 1987 biennium.

Operating expenses reflect a slight increase for supplies and $2,600 per year for full-year maintenance contracts. Several pieces of equipment were purchased in FY 84 and were covered by the warranty for part of the year.

A splicing and film cleaning machine is recommended for FY86 to replace the current machine which is old and constantly breaking down. This machine will be paid from the film library account.

MANAGEMENT SERV. DIV. ADMIN. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.50	10.50	9.00	9.00

Support for this program comes from the general fund, lab fees and film library charges.

MICROBIOLOGY LAB BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.00	9.00	9.00	9.00
Personal Services	231,878.92	231,059	234,019	234,343
Operating Expenses	97,606.94	132,677	91,349	91,940
Equipment	0.00	0	7,000	0
Total Program Costs	$329,485.86	$363,736	$332,368	$326,283
General Fund	243,689.85	324,428	222,968	216,883
State Special Revenue Fund	51,796.61	39,308	75,400	75,400
Federal & Other Spec Rev Fund	33,999.40	0	34,000	34,000
Total Funding Costs	$329,485.86	$363,736	$332,368	$326,283
Current Level Services	329,485.86	363,736	332,368	326,283
Total Service Costs	$329,485.86	$363,736	$332,368	$326,283

Program Description

The Microbiology Laboratory provides the following public health services to Department programs, hospitals, physicians, and other public health facilities in Montana:

- Testing and consultation in support of communicable disease and environmental programs;
- Investigation of disease outbreaks;
- Statewide registration of laboratory personnel;
- Approval of laboratories providing prenatal and premarital Serologies (rubella and syphilis);
- Reference laboratory for hospitals and other laboratories within the state; and
- Certification of laboratories performing microbiological analysis of drinking water.

Budget Issues

There are some increases and decreases which cause the overall budget decrease from the 1985 biennium for the Microbiology Lab. A reallocation of square footage resulted in a $12,000 decrease in rental costs; $5,000 per year is added to purchase a maintenance contract for the electron microscope; and a $7,000 equipment budget is recommend for FY 86.

Funding for the microbiology lab comes from the general fund and water testing fees. Increased water testing activity in FY 84 made available a one time balance of

MICROBIOLOGY LAB BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	9.00	9.00	9.00	9.00

additional revenue which was used to offset the general fund in FY86 and FY87 by approximately $18,000 per year.

CHEMISTRY LAB BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	6.00	6.00	6.00	6.00
Personal Services	163,750.79	165,773	166,012	166,466
Operating Expenses	68,896.89	81,143	81,213	81,610
Equipment	0.00	0	37,500	0
Total Program Costs	$232,647.68	$246,916	$284,725	$248,076
General Fund	108,621.09	61,400	84,550	77,063
State Special Revenue Fund	9,628.35	22,222	0	0
Federal & Other Spec Rev Fund	114,398.24	163,294	200,175	171,013
Total Funding Costs	$232,647.68	$246,916	$284,725	$248,076
Current Level Services	232,647.68	246,916	284,725	248,076
Total Service Costs	$232,647.68	$246,916	$284,725	$248,076

Program Description

The Chemistry Laboratory Bureau provides analytical and consulting services in the following areas:

Water - Determines the concentrations of metals, organic and inorganic compounds in drinking water, wastewater and in surface and groundwater in Montana. These analyses are run for the programs of the Water Quality Bureau, Fish, Wildlife and Parks, Environmental Protection Agency, and Solid Waste Management Bureau. Private water samples are also analyzed.

Air - Analyzes air-related samples for metals, organic and inorganic compounds and particulates in support of the programs of the Air Quality Bureau and the Occupational Health Bureau. Air samples from private sources are also analyzed.

Hazardous Waste/Superfund - Analyzes wastes for metals and organic compounds and classifies wastes as hazardous or nonhazardous in support of programs of the Solid Waste Management Bureau.

Food and Consumer Safety - Analyzes food and other commercial products for adulterants at the request of the Food and Consumer Safety Bureau. Recent examples include EDB in cereal products and coumarin in Mexican vanilla.

Occupational Health - Analyzes body fluids for toxic metals and organic compounds at the request of the Occupational Health Bureau. Examples are lead in blood or pentachlorophenol in urine.

Budget Issues

A current level budget is recommended for the Chemistry Lab. The only operating increase is a $9,000 per year maintenance contract for the X-ray fluorescence analyzer. This piece of equipment was obtained during the 1985 biennium at no cost

CHEMISTRY LAB BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	6.00	6.00	6.00	6.00

to the lab.

A $37,500 equipment budget is recommend for FY86. Lab equipment purchases of $48,000 in FY84 were coded to the Management Services Division Administrator's Program.

General fund decreases 4.9% between bienniums while other funds increase. A one time balance from the laboratory division account is carried forward from the 1985 biennium and offsets general fund for FY86 and FY87. This balance is also dedicated to the equipment purchase.

DATA PROCESSING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	2.00	1.00	1.00
Personal Services	31,731.83	55,748	24,016	24,026
Operating Expenses	6,248.93	5,303	9,306	9,360
Equipment	0.00	0	3,100	0
Total Program Costs	$37,980.76	$61,051	$36,422	$33,386
Federal & Other Spec Rev Fund	37,980.76	61,051	36,422	33,386
Total Funding Costs	$37,980.76	$61,051	$36,422	$33,386
Current Level Services	37,980.76	61,051	36,422	33,386
Total Service Costs	$37,980.76	$61,051	$36,422	$33,386

Program Description

The Data Processing Program provides the following services to programs of the Department of Health and Environmental Sciences: systems analyses; systems design/program development; systems maintenance; coordination of the department's data plan; and requests for data equipment.

Budget Issues

FTE drops by one position within the Data Processing Program. The systems analyst position which remains is sufficient to meet the department's data processing needs.

Operating expenses increase in two areas; computer services and rent. Computer services increase $700 per year as FY84 represented 10 months of actual costs due to a vacancy in this position. Rent increases $2,000 per year as a result of a more accurate reallocation of square footage.

A printer and software for the department's personal computer is within the $3,100 equipment budget recommended for FY86.

Funding is 100% from charges for data processing services.

HLTH SER & MED FAC DIV. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	74.10	71.10	80.00	81.00
Personal Services	1,895,919.19	1,773,104	2,157,720	2,176,947
Operating Expenses	5,642,445.50	5,263,949	7,128,047	7,219,865
Equipment	10,984.00	6,043	21,844	7,000
Grants	5,112,027.92	4,270,325	3,950,797	3,947,790
Total Program Costs	$12,661,376.61	$11,313,421	$13,258,408	$13,351,602
General Fund	1,010,572.64	1,068,438	1,233,781	1,223,119
State Special Revenue Fund	21,785.78	30,000	45,597	45,597
Federal & Other Spec Rev Fund	11,629,018.19	10,214,983	11,979,030	12,082,886
Total Funding Costs	$12,661,376.61	$11,313,421	$13,258,408	$13,351,602
Current Level Services	11,177,844.61	11,313,421	11,741,128	11,853,934
Modified Level Services	1,483,532.00	0	1,517,280	1,497,668
Total Service Costs	$12,661,376.61	$11,313,421	$13,258,408	$13,351,602

Program Description

The Health Services and Medical Facilities Division supervises, organizes and directs the individual activities of the six bureaus that make up the Division. These bureaus are: Dental and Health Education, Nursing, Clinical Programs, Emergency Medical Services, Health Planning and Resource Development, and Licensing and Certification.

Budget Issues

Individual budgets and narratives for these program areas are presented on the following pages.

HEALTH PLANNING DIV. ADMIN. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.65	1.90	1.90	1.90
Personal Services	22,833.46	65,212	62,796	62,919
Operating Expenses	0.00	0	4,719	4,734
Total Program Costs	$22,833.46	$65,212	$67,515	$67,653
General Fund	7,167.39	65,212	33,682	33,758
Federal & Other Spec Rev Fund	15,666.07	0	33,833	33,895
Total Funding Costs	$22,833.46	$65,212	$67,515	$67,653
Current Level Services	22,833.46	65,212	67,515	67,653
Total Service Costs	$22,833.46	$65,212	$67,515	$67,653

Program Description

The Health Services Division Administration manages the operations of the division, has direct responsibility for development and communication of division policy and advisory responsibility on Department policy, and manages the resources of the division.

Budget Issues

The Health Services Administration budget represents administration costs for the dental, clinical and nursing bureaus. Funding is from the general fund, maternal and child health block grant and the preventive health block grant.

DENTAL AND HEALTH EDUCATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.50	2.50	2.40	2.40
Personal Services	89,361.06	89,538	89,391	89,624
Operating Expenses	31,186.85	29,198	58,406	27,374
Equipment	2,058.00	0	0	0
Grants	58,919.32	61,755	26,495	23,488
Total Program Costs	$181,525.23	$180,491	$174,292	$140,486
General Fund	65,372.84	67,232	68,370	67,373
Federal & Other Spec Rev Fund	116,152.39	113,259	105,922	73,113
Total Funding Costs	$181,525.23	$180,491	$174,292	$140,486
Current Level Services	176,343.23	180,491	144,292	140,486
Modified Level Services	5,182.00	0	30,000	0
Total Service Costs	$181,525.23	$180,491	$174,292	$140,486

Program Description

The Dental/Health Education Bureau has administrative responsibility for the following programs:

- The Dental Program consists primarily of dental prevention projects such as flouride mouthrinse and screening programs. Fourty-six counties and 390 school systems currently participate in the programs. Over 75,000 children receive dental health education pertaining to proper diet, anatomy and proper brushing and flossing techniques.

- The Hypertension Program establishes and maintains preventive health projects which include screening, education, referral and compliance for elevated blood pressure treatment. The program works through State-local partnerships, providing funds on a competitive basis.

- Health Education Risk Reduction (HERR) delivers services through State-local partnerships which include behavioral risk surveillance, health risk appraisals (3000+ annually), community health promotion activities and educational programs on personal health risks and change.

Budget Issues

A .10 FTE was eliminated from the Dental and Health Education Bureau as it was vacant all of FY84.

The hypertension program has historically been a mandated effort within the Preventive Health Block Grant. This mandate has been eliminated for FY86 and FY87. As a result, the director of the department has transferred the .5 FTE hypertension staff person and $25,000 of the $78,000 budget to the Health Education and Risk Reduction program.

DENTAL AND HEALTH EDUCATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.50	2.50	2.40	2.40

Modification Request

Workload Increases

Mouthrinse. Maternal and Child Health block grant funds will fund the continuance of the mouthrinse program. The $30,000 recommended in FY86 will purchase two years worth of supplies. This modification will maintain the current mouthrinse program which reaches approximately 40,000 school age children.

NURSING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.50	15.00	18.50	18.50
Personal Services	410,391.77	392,319	495,087	495,555
Operating Expenses	162,094.45	127,629	300,113	301,078
Equipment	1,790.72	0	3,100	1,550
Grants	734,857.00	810,325	818,964	818,964
Total Program Costs	$1,309,133.94	$1,330,273	$1,617,264	$1,617,147
General Fund	182,069.88	160,829	195,961	196,765
Federal & Other Spec Rev Fund	1,127,064.06	1,169,444	1,421,303	1,420,382
Total Funding Costs	$1,309,133.94	$1,330,273	$1,617,264	$1,617,147
Current Level Services	1,309,133.94	1,330,273	1,512,042	1,513,830
Modified Level Services	0.00	0	105,222	103,317
Total Service Costs	$1,309,133.94	$1,330,273	$1,617,264	$1,617,147

Program Description

The Nursing Bureau has primary administrative responsibility for the following programs: childhood immunization; communicable disease control; community health nursing; family planning; and venereal disease control.

Bureau functions include 1) the monitoring of the school immunization law; 2) assurance of adequate immunization levels of Montana's children through efforts which include the provision of vaccine to nearly 70 public providers; 3) surveillance and outbreak control for approximately 100 reportable communicable diseases; 4) casefinding, treatment, and prevention of sexually transmitted diseases, including inter- and intra-state coordination; 5) development of local public health and school nursing services in concert with local government and school officials; 6) monitoring quality assurance and patient care standards in fifteen local family planning and reproductive health clinics, as well as in other local direct-service clinics, including well-child, VD, and immunization; 7) development and promotion of standards for community health nursing services, including assurance that legal requirements for professional nursing practice are met; 8) provision of public and professional education and consultation; and 9) development of educational, technical, and other materials to meet program and Bureau objectives.

Budget Issues

The current level budget recommendation for the Nursing Bureau increases by approximately $100,000 per year in the area of supplies. The cost of DTP vaccine increased from 65 cents per dose to $2.66 per dose costing an additional $57,000 per year. Also, rabies vaccine of $43,790 per year is transferred from the Clinical Services Bureau.

$1,500 per year for educational films is recommended within the Family Planning and

NURSING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.50	15.00	18.50	18.50

the VD programs.

Modification Requests

Workload Increases

Family Planning. A half time public health nurse is recommended for the Family Planning program. This position, which is funded from the Preventive Health Block Grant, would assist in giving program direction and consultation to the local family planning programs. The cost of this modification is $11,649 in FY86 and $11,653 in FY87.

Nurses. Two nurse consultants and one clerical position (3 FTE) are requested for the Nursing Bureau. The nurses would offer training, workshops and various assistance to public health and school nurses throughout Montana. The clerical position will support mainly the communicable disease program, offering assistance to the other programs. Funding of $93,573 in FY86 and $91,664 in FY87 is from the Preventive Health Block Grant.

CLINICAL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	21.00	19.50	21.50	22.50
Personal Services	496,638.04	399,532	557,560	574,006
Operating Expenses	4,995,181.14	4,603,030	6,222,381	6,325,127
Equipment	2,380.54	0	16,544	1,000
Grants	4,318,251.60	3,398,245	3,105,338	3,105,338
Total Program Costs	$9,812,451.32	$8,400,807	$9,901,823	$10,005,471
General Fund	230,532.88	277,390	224,708	212,289
Federal & Other Spec Rev Fund	9,581,918.44	8,123,417	9,677,115	9,793,182
Total Funding Costs	$9,812,451.32	$8,400,807	$9,901,823	$10,005,471
Current Level Services	8,334,101.32	8,400,807	8,612,520	8,699,922
Modified Level Services	1,478,350.00	0	1,289,303	1,305,549
Total Service Costs	$9,812,451.32	$8,400,807	$9,901,823	$10,005,471

Program Description

The Clinical Programs Bureau has overall administrative responsibility for the following programs:

The Special Supplemental Food Program for Women, Infants and Children (WIC) provides several services to pregnant women, infants and children up to age five, who are low income and at nutritional risk. These services include education and counseling to improve eating behaviors; selected foods to supplement diets; and access to preventive health programs and referral to private and public health providers.

The Child Nutrition Program provides cash reimbursement for meals meeting specific nutritional requirements which are served to children enrolled in licensed/approved day care centers; Head Start programs; day care homes, and others.

The Montana Central Tumor Registry collects cancer data for use in studying the diagnoses and treatments of cancer patients, including continuous life-time followup information describing patients after treatment for various types of cancer.

Handicapped Childrens' Services provides diagnostic, evaluation and treatment services for children from birth to 18 for a specific and limited number of chronically handicapping conditions. Services are provided to low income families who are not covered by Medicaid or private insurance.

The Inborn Errors of Metabolism Program provides for screening of all newborns for six separate metabolic abnormalities which are known to cause mental retardation.

The Montana Perinatal Program, through comprehensive educational programs for physicians and other health professionals, facilitates appropriate care for

CLINICAL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	21.00	19.50	21.50	22.50

infants and preterm labor prevention.

Budget Issues

The budgeted current level FTE for the Clinical Bureau was 19.50 for each year of the 1985 biennium. The current level FTE drops by 3.5. Three of these positions worked in the Improved Pregnancy Outcome (IPO) program. The direction of this program is requested to change. Therefore, the program and the 3 FTE are reflected as a modification. The remaining .5 FTE is a clerical position within tumor registry. It is recommended that needed clerical assistance be provided from the Director's Office as was done in FY84.

Several operating expense areas are recommended to increase. Lab costs for the PKU test will increase $15,000 over the biennium. Medical payments for Handicapped Children Services (HCS) increase $55,500 in FY86 and $159,000 in FY87. These expenditures are paid with Maternal and Child Health (MCH) money and will pay for an additional ten cardiac patients per year. Food packages for WIC increases $933,000 per year.

The IPO program, which offers transportation to mothers and infants in distress along with training and education to local hospitals, is recommended to change in the coming biennium. Funds for the transport service will be handled by the HCS program at the cost of approximately $66,000 per year paid with MCH money. The remaining services and related expenditures of the IPO program were removed from the FY84 base and appear as a part of the Perinatal modification request discussed later.

The grant level decreases as the MCH grants to counties are transferred to the Director's Office for administration.

Modification Requests

New Services

Perinatal Program. The perinatal program is aimed at reducing maternal and infant morbidity and mortality. Early identification of high risk individuals and prompt initiation of prevention measures will result in significant savings in long term care costs for maintaining disabled and handicapped individuals. MCH funds of $204,599 in FY 86 and $220,819 in FY 87 will support this effort.

Cleft Palate. Currently, MCH funds provide for the initial closure of cleft palates for eligible individuals. The requested $52,500 per year would allow follow-up dental or orthodonic work for approximately 26 individuals per year. Funding is from the MCH Block grant.

Expanded Services

Women, Infants and Children (WIC). The requested amounts of $818,399 in FY86 and $818,419 in FY87 would be used to hire one administrative officer and one public health nurse (2 FTE) as directed by USDA; increase the food package dollar amount from $26.11 to $27.62; and design and implement a data system to better monitor

CLINICAL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	21.00	19.50	21.50	22.50

local programs and assure federal requirements are being met. Funding is 100% federal funds.

Child Nutrition Administration. The requested amount of $213,805 in FY86 and $213,811 in FY 87 continues a budget amendment which added .50 program manager as required by the USDA and an additional $200,000 to reimburse public and private non-profit institutions for expenses associated with the child nutrition program. Funding is 100% federal funds.

EMERGENCY MEDICAL SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.30	9.25	9.35	9.35
Personal Services	200,636.63	213,234	228,065	228,242
Operating Expenses	266,383.74	304,815	313,344	334,492
Equipment	4,034.79	5,000	700	4,450
Total Program Costs	$471,055.16	$523,049	$542,109	$567,184
General Fund	282,141.38	310,484	293,654	300,001
State Special Revenue Fund	21,785.78	30,000	45,597	45,597
Federal & Other Spec Rev Fund	167,128.00	182,565	202,858	221,586
Total Funding Costs	$471,055.16	$523,049	$542,109	$567,184
Current Level Services	471,055.16	523,049	542,109	567,184
Total Service Costs	$471,055.16	$523,049	$542,109	$567,184

Program Description

The Emergency Medical Services Bureau is responsible for the planning, development and implementation of a comprehensive state emergency medical services program (MCA 50-6-101-104), and serves as a coordinating mechanism for the various elements comprising the statewide system. Following are activities of the EMS Bureau:

Statewide planning including the writing and enforcement of an emergency medical services plan covering all componants of a comprehensive emergency medical services system.

Management of Montana Ambulance Licensing program (MCA 50-6-301-316, ARM 16.30.101-210) which includes issuance of licenses, annual inspections and reinspections and investigation of complaints and violations.

Training programs for emergency medical technicians at Basic, Intermediate and Paramedic levels (MCA 50-6-201).

Management of the Montana Poison Control System including providing methods of public access and provision of public and professional education.

Provision and management of a Montana First Responder training program - an emergency medical training program for law enforcement, fire and other public safety members of the emergency medical services system.

Training of rural emergency room nurses and the coordination of the Advanced Trauma Life Support program for physicians.

Provision of technical assistance to local EMS providers and trainers including the writing and dissemination of a variety of training manuals and handbooks, and responding to numerous requests for on-site technical assistance.

EMERGENCY MEDICAL SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.30	9.25	9.35	9.35

Budget Issues

The emergency Medical Services budget request increases 11.6% over the 1985 biennium.

The major increase of $46,000 from FY84 will provide additional advanced seminars and workshops for local Emergency Medical Service providers as well as instructor programs which were not offered in FY84. Of this amount, $21,500 will come from fees charged to workshop participants with the remaining $24,500 coming from the Preventive Health Block Grant.

Printing costs of $10,000 for the state plan are included for FY 87.

HEALTH PLANNING & RESOURCE DEV BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.15	8.10	9.00	9.00
Personal Services	264,521.17	215,531	253,005	253,605
Operating Expenses	82,308.26	81,898	84,705	82,221
Equipment	4.95	0	0	0
Total Program Costs	$346,834.38	$297,429	$337,710	$335,826
General Fund	118,412.24	63,814	123,886	120,581
Federal & Other Spec Rev Fund	228,422.14	233,615	213,824	215,245
Total Funding Costs	$346,834.38	$297,429	$337,710	$335,826
Current Level Services	346,834.38	297,429	337,710	335,826
Total Service Costs	$346,834.38	$297,429	$337,710	$335,826

Program Description

The Bureau of Health Planning and Resource Development produces the State Health Plan and related plans and planning research; administers the State Certificate of Need program for medical facilities; and collects, maintains, and distributes health facility, service, and manpower data.

Budget Issues

The FTE level increases from 8.10 in FY85 to 9.00 for the 1987 biennium and reflects Health Planning and Resource Development's share of division administration salaries.

Operating expenses reflect normal adjustments with the exception of in-state-travel which is increased 25% (1,000 per year) to allow the bureau to respond to the increased activity in certificate of need.

LICENSING & CERTIFICATION BUR BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.00	14.85	17.35	17.35
Personal Services	411,537.06	397,738	471,816	472,996
Operating Expenses	105,291.06	117,379	144,379	144,839
Equipment	715.00	1,043	1,500	0
Total Program Costs	$517,543.12	$516,160	$617,695	$617,835
General Fund	124,876.03	123,477	293,520	292,352
Federal & Other Spec Rev Fund	392,667.09	392,683	324,175	325,483
Total Funding Costs	$517,543.12	$516,160	$617,695	$617,835
Current Level Services	517,543.12	516,160	524,940	529,033
Modified Level Services	0.00	0	92,755	88,802
Total Service Costs	$517,543.12	$516,160	$617,695	$617,835

Program Description

The Licensing and Certification Bureau is responsible for monitoring the operation, maintenance, and design of various health care facilities and related services including hospitals, long-term care facilities, home health agencies, medical laboratories, outpatient physical or speech therapists and facilities, renal dialysis units, ambulatory surgical centers, mental health and retardation treatment facilities, hospice, swing beds and chemical dependency treatment facilities.

The Bureau has legal authority to issue licenses, grant Medicaid certification, and recommend Medicare certification for facilities and services that meet regulations. It has the legal responsibility to promulgate and revise licensing regulations, to investigate and act upon citizens complaints, and to revoke the license or certification of any facility or service which falls below minimum standards and jeopardizes the health or safety of the patients or clients.

The surveyor and supervisory staff provides continuing consultation services to all providers and information to the public and government and private agencies.

Budget Issues

Current level FTE for Licensing and Certification reflects the reduction of a .5 construction engineer vacant all of FY84.

Increases are included for out-of-state training, required by the federal government, and consultant costs for construction engineering.

Current level general fund increases 89%. This major increase responds to a federal mandate that 1/3 of the licensing and certification budget be dedicated to the licensing effort which is a state responsibility. This 1/3 does not include the required match for medicaid funds.

LICENSING & CERTIFICATION BUR BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	15.00	14.85	17.35	17.35

Modification Requests

Expanded Services

Surveyors. Funding for 2 additional surveyors (2 FTE) is recommended. These positions will help the bureau meet the federal requirements of annual surveys for health care providers. Present staff is unable to complete the required surveys and the federal government has requested the staff be increased. The cost of this modification is $61,306 in FY86 ($27,405 G.F.) and $57,843 in FY87 ($25,763 G.F.).

New Services

Unannounced Surveys. It is recommended that one surveyor position (1 FTE) be hired to perform unannounced surveys of long term care facilities. This effort would help insure that quality care is being provided to nursing home residents. This modification for $31,449 in FY86 and $30,959 in FY87 is 100% general funded.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	1,930.36	1,971.85	2,005.50	1,985.75
Personal Services	47,292,285.01	50,677,591	51,565,575	51,133,575
Operating Expenses	163,443,523.57	203,222,147	244,123,776	210,092,204
Equipment	4,133,030.68	4,906,336	8,042,314	6,279,994
Capital Outlay	3,364,331.25	2,918,430	4,290,518	2,858,108
Local Assistance	68,750.19	0	0	0
Grants	14,199,316.35	290,000	14,300,000	14,300,000
Transfers	5,491,875.75	5,485,308	14,773,336	16,563,599
Debt Service	474,281.88	0	25,682	25,682
Total Agency Costs	$238,467,394.68	$267,499,812	$337,121,201	$301,253,162
State Special Revenue Fund	117,481,464.58	122,929,757	193,887,091	170,529,481
Federal & Other Spec Rev Fund	108,018,070.92	130,426,754	128,463,613	115,701,264
Proprietary Fund	12,967,859.18	14,143,301	14,770,497	15,022,417
Total Funding Costs	$238,467,394.68	$267,499,812	$337,121,201	$301,253,162
Current Level Services	238,467,394.68	267,499,812	333,638,798	298,753,353
Modified Level Services	0.00	0	3,482,403	2,499,809
Total Service Costs	$238,467,394.68	$267,499,812	$337,121,201	$301,253,162

Agency Description

The Department of Highways is responsible for the planning, designing, constructing, repairing, reconstructing and maintenance of the state's highways. It is also responsible for assessing and mitigating the social and environmental impacts resulting from these activities. The department also enforces the gross vehicle weight statutes and regulations. The department's statutory authority is derived from section 2-15-2501, MCA. Specification of the department's statutory powers and duties is found in Title 60, chapter 2, part 2, MCA.

Budget Issues

Reorganization

The department has reorganized some of its functions resulting in changes in the budget base in several programs. A majority of the changes appear in the general operations budget because the legal unit was deleted and moved to the preconstruction unit. The van pool, safety unit, labor compliance, and some preconstruction planning functions were moved into the general operations unit. In addition, the department has centralized its right-of-way acquisition into the Helena office which reduces the preconstruction program and increases the construction program. All budgets involved have been adjusted so that no net increase or decrease results from these transfers.

GENERAL OPERATIONS PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	130.03	130.03	142.53	142.53
Personal Services	3,027,603.83	3,155,633	3,570,085	3,575,747
Operating Expenses	1,921,357.40	2,361,106	2,753,142	2,804,031
Equipment	489,202.37	443,618	467,587	426,736
Local Assistance	68,750.19	0	0	0
Grants	14,199,316.35	290,000	14,300,000	14,300,000
Debt Service	9,289.38	0	25,682	25,682
Total Program Costs	$19,715,519.52	$6,250,357	$21,116,496	$21,132,196
State Special Revenue Fund	18,439,321.71	4,824,456	19,060,619	19,071,721
Federal & Other Spec Rev Fund	1,276,197.81	1,425,901	2,055,877	2,060,475
Total Funding Costs	$19,715,519.52	$6,250,357	$21,116,496	$21,132,196
Current Level Services	19,715,519.52	6,250,357	21,091,646	21,107,336
Modified Level Services	0.00	0	24,850	24,860
Total Service Costs	$19,715,519.52	$6,250,357	$21,116,496	$21,132,196

Program Description

The General Operations Program provides the overall administrative and support services essential to the operations of the department through the Director's Office, and the Centralized Services, Program Development, and Personnel Divisions.

Budget Issues

The 1986-87 biennium budget reflects departmental reorganization. This program received 8.0 FTE relating to safety and labor compliance from the construction program. Three FTE related to project analysis and 1 FTE word processor technician were were transferred to the preconstruction program. One lawyer related to personnel matters was transferred from the construction program. Finally, 2 lawyers were transferred from this program to the construction program. The recommended budget also includes the FTE related to the modified request described below.

Modification Request

Increased Workload
The recommended budget includes spending authority for an additional 1.5 FTE Word Processing technician. The additional staff is due to the increased workload due to the centralization of the right-of-way bureau. Previously, the right-of-way agents were located in field offices.

Cost: FY 1986 - $ 24,850 FY 1987 - $ 24,860

CONSTRUCTION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	608.76	650.25	650.40	619.65
Personal Services	13,652,885.30	16,202,148	16,558,740	15,813,825
Operating Expenses	117,869,228.99	152,704,496	193,647,340	158,708,584
Equipment	125,737.78	32,700	217,976	149,685
Debt Service	464,992.50	0	0	0
Total Program Costs	$132,112,844.57	$168,939,344	$210,424,056	$174,672,094
State Special Revenue Fund	32,431,043.37	46,949,407	91,490,154	67,526,505
Federal & Other Spec Rev Fund	99,681,801.20	121,989,937	118,933,902	107,145,589
Total Funding Costs	$132,112,844.57	$168,939,344	$210,424,056	$174,672,094
Current Level Services	132,112,844.57	168,939,344	209,935,903	174,287,642
Modified Level Services	0.00	0	488,153	384,452
Total Service Costs	$132,112,844.57	$168,939,344	$210,424,056	$174,672,094

Program Description

The Construction Program is responsible for ensuring that roads and bridges are constructed or reconstructed to appropriate design standards to accommodate the needs of state motorists. It supervises highway construction from project award through completion and approval of the project.

Budget Issues

Reorganization - The legislature increased the FTE in this program to 650.25 in fiscal 1985. This program's FTE level increases 0.15 FTE from the 1985 level in the 1987 biennium, but through reorganization 10 FTE are transferred to the preconstruction program and 8 FTE representing labor compliance functions and the safety unit are transferred to the general operations unit. In addition, 1 FTE was transferred into this program from the service revolving program to monitor asphalt construction. The recommended budget also includes the modified request and related FTE described below.

The FTE level declines between 1986 and 1987 because the department proposes to reduce the current level FTE by 27.4 due to a reduced construction program.

Modification Request

Workload Increase
The recommended budget includes additional staff and operating expenses to supervise contracted construction projects. It is anticipated the workload will peak in FY 1986, and expenses will decline in FY 1987. Staff will increase 17.15 FTE in FY 1986, and 13.8 in fiscal 1987.

Cost: FY 1986 - $488,153 FY 1987 - $384,452

MAINTENANCE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	662.83	662.83	662.83	662.83
Personal Services	16,595,014.02	17,813,684	17,372,563	17,410,281
Operating Expenses	21,440,426.72	24,095,594	23,749,756	23,939,594
Equipment	172,145.56	26,854	419,231	80,363
Capital Outlay	11,365.78	0	100,000	100,000
Total Program Costs	$38,218,952.08	$41,936,132	$41,641,550	$41,530,238
State Special Revenue Fund	38,218,952.08	41,936,132	41,641,550	41,530,238
Total Funding Costs	$38,218,952.08	$41,936,132	$41,641,550	$41,530,238
Current Level Services	38,218,952.08	41,936,132	41,391,550	41,280,238
Modified Level Services	0.00	0	250,000	250,000
Total Service Costs	$38,218,952.08	$41,936,132	$41,641,550	$41,530,238

Program Description

The Maintenance Program is responsible for preserving and repairing all highways and their appurtenances within the right-of-way of interstate, urban, primary, and state-maintained secondary highway systems in Montana. The purpose of the program is to maximize the safety of persons traveling on state highways, enhance the convenience of the public while moving about the state, and preserve the rideability of the highway system within the expected useful life of the road surfaces.

Budget Issues

Modification Request

New Service
The recommended budget includes spending authority for two types of new services. First, the department requests to purchase land for permanent gravel sources for highway projects. Secondly, it is requested that contracted caretaker services be increased during peak summer months for cleaner rest areas.

Cost: FY 1986 -	gravel pits	$100,000
	caretaker	150,000
	TOTAL	$250,000

Cost: FY 1987 -	gravel pits	$100,000
	caretaker	150,000
	TOTAL	$250,000

PRECONSTRUCTION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	225.00	225.00	243.00	243.00
Personal Services	5,926,483.49	6,151,093	6,591,594	6,626,734
Operating Expenses	1,425,632.67	1,711,416	2,376,891	2,436,082
Equipment	50,409.89	5,084	1,268,230	1,650
Capital Outlay	3,352,965.47	2,918,430	4,190,518	2,758,108
Total Program Costs	$10,755,491.52	$10,786,023	$14,427,233	$11,822,574
State Special Revenue Fund	3,698,419.61	3,775,107	6,953,399	5,327,374
Federal & Other Spec Rev Fund	7,057,071.91	7,010,916	7,473,834	6,495,200
Total Funding Costs	$10,755,491.52	$10,786,023	$14,427,233	$11,822,574
Current Level Services	10,755,491.52	10,786,023	12,312,556	10,853,810
Modified Level Services	0.00	0	2,114,677	968,764
Total Service Costs	$10,755,491.52	$10,786,023	$14,427,233	$11,822,574

Program Description

The Preconstruction Program carries out the planning stages of highway development, including determining location and design, conducting any necessary public hearings, acquiring needed rights-of-way, and processing highway projects for contract award.

Budget Issues

Reorganization

The reorganization has increased the FTE in this program by 7.0. Ten FTE were transferred from the construction program and 2 lawyers were transferred from general operations. In addition, 1 word processing technician, 3 FTE related to project analysis and 1 lawyer were transferred from this program to general operations. The recommended budget also includes the FTE related to the modified request detailed below.

Modification Request

Increased Workload

The recommended budget includes 11 FTE in each year and spending authority to expand the bridge design staff. Additional federal funds available for bridge replacement and repair will be available in the 1987 biennium. This increase will allow the state to apply for federal funds to repair bridges around the state while the funds are available.

Cost: FY 1986 - $2,114,677 FY 1987 - $ 968,764

HIGHWAY SERVICE REVOLVING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	74.25	74.25	73.25	73.25
Personal Services	1,785,269.19	1,825,127	1,856,010	1,858,654
Operating Expenses	1,068,834.88	1,014,233	1,117,663	1,128,739
Equipment	5,782.47	15,300	42,200	238,000
Total Program Costs	$2,859,886.54	$2,854,660	$3,015,873	$3,225,393
Proprietary Fund	2,859,886.54	2,854,660	3,015,873	3,225,393
Total Funding Costs	$2,859,886.54	$2,854,660	$3,015,873	$3,225,393
Current Level Services	2,859,886.54	2,854,660	3,015,873	3,225,393
Total Service Costs	$2,859,886.54	$2,854,660	$3,015,873	$3,225,393

Program Description

The Highway Service Revolving Program provides certain support services (such as data processing, printing, photography, airplane use and material testing) common to all divisions within the department.

Budget Issues

Reorganization
One FTE from the materials lab was transferred from this program to the construction program to monitor asphalt composition.

STATE MOTOR POOL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.00	6.00	6.00	6.00
Personal Services	146,129.74	139,257	135,716	136,033
Operating Expenses	476,853.23	327,728	272,093	277,115
Equipment	17,218.00-	203,700	600,000	350,000
Total Program Costs	$605,764.97	$670,685	$1,007,809	$763,148
Proprietary Fund	605,764.97	670,685	1,007,809	763,148
Total Funding Costs	$605,764.97	$670,685	$1,007,809	$763,148
Current Level Services	605,764.97	670,685	757,809	763,148
Modified Level Services	0.00	0	250,000	0
Total Service Costs	$605,764.97	$670,685	$1,007,809	$763,148

Program Description

The State Motor Pool Program operates and maintains a fleet of rental vehicles available to all state officials and employees in the Helena area to facilitate the conduct of official business.

Budget Issues

Modification Request

Additional Equipment
The recommended budget includes spending authority to replace 25 vehicles in the Motor pool in FY 1986.

Cost: FY 1986 - $250,000

EQUIPMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	120.35	120.35	120.35	120.35
Personal Services	2,969,931.56	3,174,572	3,142,456	3,147,137
Operating Expenses	6,261,607.24	5,843,384	5,268,721	5,311,063
Equipment	3,273,263.15	4,168,000	4,993,000	5,000,000
Total Program Costs	$12,504,801.95	$13,185,956	$13,404,177	$13,458,200
State Special Revenue Fund	3,002,594.28	2,568,000	2,657,362	2,424,324
Proprietary Fund	9,502,207.67	10,617,956	10,746,815	11,033,876
Total Funding Costs	$12,504,801.95	$13,185,956	$13,404,177	$13,458,200
Current Level Services	12,504,801.95	13,185,956	13,154,177	12,958,200
Modified Level Services	0.00	0	250,000	500,000
Total Service Costs	$12,504,801.95	$13,185,956	$13,404,177	$13,458,200

Program Description

The Equipment Program is responsible for the purchase and maintenance of a fleet of equipment and vehicles for use within the Department of Highways. The primary goal is to provide replacement equipment and maintain and repair existing equipment in a cost effective manner.

Budget Issues

Modification Request

Additional Equipment
The recommended budget includes expenditures budgeted for several new pieces of equipment, listed below. This is a change in the equipment replacement program based on management's replacement projections. New equipment includes:

1986: 5 one cubic yard loaders
2 two cubic yard 4WD loaders
1987: 5 one cubic yard loaders
2 two cubic yard 4WD loaders
8 two-ganged tractor mowers

Cost: FY 1986 - $250,000 FY 1987 - $500,000

CAPITAL OUTLAY PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Transfers	5,491,875.75	5,485,308	14,773,336	16,563,599
Total Program Costs	$5,491,875.75	$5,485,308	$14,773,336	$16,563,599
State Special Revenue Fund	5,491,875.75	5,485,308	14,773,336	16,563,599
Total Funding Costs	$5,491,875.75	$5,485,308	$14,773,336	$16,563,599
Current Level Services	5,491,875.75	5,485,308	14,773,336	16,563,599
Total Service Costs	$5,491,875.75	$5,485,308	$14,773,336	$16,563,599

Program Description

The Capital Outlay Program constitutes the sinking fund for retirement of the department's Headquarters Building bonds.

Budget Issues

There is a large increase from the 1985 biennium because expenditures shown in fiscal 1984 and 1985 represent only interest payments from prior bond issues. Beginning in fiscal 1986, the principle from the bond issues will be repaid.

STORES INVENTORY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Personal Services	1,013,955.73	0	0	0
Operating Expenses	12,289,634.23	14,284,140	14,123,162	14,579,449
Total Program Costs	$13,303,589.96	$14,284,140	$14,123,162	$14,579,449
State Special Revenue Fund	13,303,589.96	14,284,140	14,123,162	14,579,449
Total Funding Costs	$13,303,589.96	$14,284,140	$14,123,162	$14,579,449
Current Level Services	13,303,589.96	14,284,140	14,123,162	14,579,449
Total Service Costs	$13,303,589.96	$14,284,140	$14,123,162	$14,579,449

Program Description

The Store's Inventory Program purchases and stores materials (such as sand, road oil and gasoline) needed by other programs within the department.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

Personal services costs shown in fiscal 1984 reflect costs for crushing gravel. Due to the nature of the department accounting, these costs are transferred from the maintenance program at the end of each fiscal year and are budgeted in that program for the 1987 biennium.

G.V.W. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	103.14	103.14	107.14	118.14
Personal Services	2,175,012.15	2,216,077	2,338,411	2,565,164
Operating Expenses	689,948.21	880,050	815,008	907,547
Equipment	33,707.46	11,080	34,090	33,560
Total Program Costs	$2,898,667.82	$3,107,207	$3,187,509	$3,506,271
State Special Revenue Fund	2,895,667.82	3,107,207	3,187,509	3,506,271
Federal & Other Spec Rev Fund	3,000.00	0	0	0
Total Funding Costs	$2,898,667.82	$3,107,207	$3,187,509	$3,506,271
Current Level Services	2,898,667.82	3,107,207	3,082,786	3,134,538
Modified Level Services	0.00	0	104,723	371,733
Total Service Costs	$2,898,667.82	$3,107,207	$3,187,509	$3,506,271

Program Description

The Gross Vehicle Weight Division provides enforcement of the statutes and regulations relating to vehicle weights on the state's highways (Title 61, MCA) and collects gross vehicle weight fees.

Budget Issues

Modification Request

New Services
The recommended budget includes an expansion in the number of weigh stations. It is proposed that weigh stations be established at Havre, Saltese on the Idaho border, and that staff be increased by 4 FTE in FY 1986 and by 15 FTE in 1987 due to lack of manpower coverage.

Cost: FY 1986 - $104,723 FY 1987 - $371,733

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	260.35	266.43	306.33	317.86
Personal Services	6,101,496.81	6,004,344	7,143,384	7,390,641
Operating Expenses	5,172,743.64	10,079,926	5,767,428	5,595,585
Equipment	500,230.25	546,598	904,287	572,953
Capital Outlay	3,303,714.35	468,750	6,428,771	7,015,176
Grants	255,000.00	255,000	265,000	265,000
Total Agency Costs	$15,333,185.05	$17,354,618	$20,508,870	$20,839,355
General Fund	5,791,139.09	5,405,024	7,338,817	7,234,818
State Special Revenue Fund	2,742,540.04	3,269,511	3,505,565	3,471,824
Federal & Other Spec Rev Fund	6,696,951.20	8,590,023	9,506,668	9,943,693
Proprietary Fund	102,554.72	90,060	157,820	189,020
Total Funding Costs	$15,333,185.05	$17,354,618	$20,508,870	$20,839,355
Current Level Services	14,536,544.18	17,354,618	18,698,390	19,016,481
Modified Level Services	796,640.87	0	1,810,480	1,822,874
Total Service Costs	$15,333,185.05	$17,354,618	$20,508,870	$20,839,355

Agency Description

The Department of State Lands exists to administer the lands granted to the state for the support and benefit of the various state educational institutions and to administer Montana's reclamation laws. The department is provided for in section 2-15-3201, MCA, and its responsibilities are delineated within Title 77, MCA.

CENTRAL MANAGEMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.00	19.00	18.00	18.00
Personal Services	515,734.91	492,571	503,530	504,832
Operating Expenses	274,438.88	301,736	848,201	810,665
Equipment	17,832.76	0	45,000	16,000
Grants	255,000.00	255,000	265,000	265,000
Total Program Costs	$1,063,006.55	$1,049,307	$1,661,731	$1,596,497
General Fund	844,466.28	836,492	881,556	846,857
State Special Revenue Fund	0.00	0	472,355	410,620
Federal & Other Spec Rev Fund	115,985.55	122,755	150,000	150,000
Proprietary Fund	102,554.72	90,060	157,820	189,020
Total Funding Costs	$1,063,006.55	$1,049,307	$1,661,731	$1,596,497
Current Level Services	1,039,179.37	1,049,307	1,625,462	1,570,618
Modified Level Services	23,827.18	0	36,269	25,879
Total Service Costs	$1,063,006.55	$1,049,307	$1,661,731	$1,596,497

Program Description

The Central Management Program staff provide necessary administrative services for the department. The staff are responsible for more than $50 million per year in distributable and non-distributable trust income. They provide accounting, training and personnel services to all programs in the department. The Air Operations Bureau and Land Trust Records is included in this program.

Budget Issues

The data processing plan development authorized by the 47th Legislature is estimated to cost $822,975. Funding is requested from the STIP earnings received in the State Lands Resource Development account.

Rent paid on 10,000 sq. ft. is based on $6.45 per sq. ft. Janitorial costs are .80 per sq. ft. The lease agreement is through 1988.

Operational costs increases are due to the addition of a new helicopter authorized by the 47th Legislature, increased insurance costs as the department will budget all forestry division insurance costs previously budgeted in department of natural resources, and increased legal costs from law suits and helicopter insurance increases.

Total FTE decreases 2.00 per year as a training officer position transfers to forestry and a land use specialist transfers to lands division.

CENTRAL MANAGEMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.00	19.00	18.00	18.00

Modification Request

New Services
The request will provide abstractor services to review all trust land deeds and consolidate the deeds in one file. This one time contract will require general funds.

Cost: FY 1986 - $ 10,400 FY 1987 - $ 0

New Services
The request permits the hiring of a pilot. The department used a pilot budgeted in department of natural resources. This pilot left the department of natural resources therefore the department of lands requires a pilot to provide the necessary manpower to operate all aircraft. General funds requested. 1.00 FTE

Cost: FY 1986 - $ 25,869 FY 1987 - $ 25,879

RECLAMATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	42.00	42.00	45.00	45.00
Personal Services	976,326.39	1,055,930	1,185,515	1,188,110
Operating Expenses	2,153,145.81	7,110,367	2,141,640	2,034,672
Equipment	26,767.77	9,405	91,552	33,667
Capital Outlay	2,998,476.69	0	5,756,184	6,273,359
Total Program Costs	$6,154,716.66	$8,175,702	$9,174,891	$9,529,808
General Fund	0.00	0	676,769	616,624
State Special Revenue Fund	792,926.94	943,570	816,596	772,722
Federal & Other Spec Rev Fund	5,361,789.72	7,232,132	7,681,526	8,140,462
Total Funding Costs	$6,154,716.66	$8,175,702	$9,174,891	$9,529,808
Current Level Services	6,154,716.66	8,175,702	9,093,376	9,448,333
Modified Level Services	0.00	0	81,515	81,475
Total Service Costs	$6,154,716.66	$8,175,702	$9,174,891	$9,529,808

Program Description

The staff of the Reclamation Division is responsible for regulating all mining-related disturbances in the state. Specifically, they administer: the Montana Strip and Underground Mine Reclamation Act; the Montana Open-Cut Mining Act; the Montana Strip and Underground Mine Siting Act; the Montana Coal Conservation Act; statutes regulating hard rock mining; and the regulatory program of the Federal Surface Mining Control and Reclamation Act. The Environmental Impact Statement Team is included in this program.

Budget Issues

The request includes $12,029,543 for the biennium to conduct a variety of land improvements and restore land resources.

Rent for the Helena office is based on 700 sq. feet at $6.45 per sq. ft. Janitorial costs are .80 per sq. ft.

The request includes $30,000 in FY 1986 for word processing equipment. The $30,000 is funded 20% general funds and 80% federal funds. This equipment plus word processing equipment in the lands division will provide the department with a coordinated word processing system.

Modification Requests

Workload Increase
Increased legal workload requires an additional staff attorney. Funding is 20% general fund, 80% federal. 1.00 FTE.

Cost: FY 1986 - $ 27,700 FY 1987 - $27,690

RECLAMATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	42.00	42.00	45.00	45.00

Workload Increase
Increased administrative workload requires a coordinator to work with federal agencies. Funding is 20% general fund, 80% federal funds. 1.00 FTE.

Cost: FY 1986 - $ 24,248 FY 1987 - $ 24,238

Workload Increase
Increased workload results from Department efforts to reclaim abandonded mines. Funding is 100% federal. 1.00 FTE.

Cost: FY 1986 - $ 29,567 FY 1987 - $ 29,547

LAND ADMINISTRATION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.62	14.62	23.62	23.62
Personal Services	317,563.33	311,703	517,669	518,264
Operating Expenses	66,522.44	69,351	136,736	132,732
Equipment	0.00	10,000	81,917	42,800
Total Program Costs	$384,085.77	$391,054	$736,322	$693,796
General Fund	297,616.55	303,616	736,322	693,796
State Special Revenue Fund	86,469.22	87,438	0	0
Total Funding Costs	$384,085.77	$391,054	$736,322	$693,796
Current Level Services	384,085.77	391,054	470,842	444,231
Modified Level Services	0.00	0	265,480	249,565
Total Service Costs	$384,085.77	$391,054	$736,322	$693,796

Program Description

The staff of the Land Administration Program are responsible for the leasing of surface and mineral resources for the benefit of common school and other endowment funds. This program covers the appraisal and reclassification of all state lands to obtain the greatest revenue for the trust funds commensurate with the preservation of the resource. This program includes the Land Management Bureau, Surface Leasing Bureau and Mineral Leasing Bureau.

Budget Issues

The request does not include Resource Indemnity Trust (RIT) funds as directed by the 47th Legislature. The request maintains current level services.

The request includes $25,000 in FY 1986 for word processing equipment. This equipment plus word processing equipment requested in the reclamation division will provide the department with a coordinated word processing network.

Total FTE increases 1.00 as a land specialist transfers in from central management.

Modification Requests

Workload Increase
The request will add five new land use specialists to assist the current five specialists in conducting field work on the states five million trust acres. This is an effort to insure the states lands are properly managed and that all revenues are received. General funds are required. 5.00 FTE.

Cost: FY 1986 - $184,870 FY 1987 - $171,551

Workload Increase
The request will add two geologists to inspect oil, gas and mineral leases and one

LAND ADMINISTRATION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.62	14.62	23.62	23.62

accountant will analyze existing lease agreements to insure royalty compliance. Currently the department has one geologist to inspect 11,000 leases and three clerical staff to check production reports for accuracy. The three new staff would conduct on-site inspections. The Governors Council on Management estimated that additional staff were needed and that a 5% increase in royalty payments would yield about $470,000 annually. General funds are required. 3.00 FTE.

Cost: FY 1986 - $ 80,610 FY 1987 - $ 78,014

RESOURCE DEVELOPMENT PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.00	7.00	7.00	7.00
Personal Services	137,806.77	156,560	176,565	176,638
Operating Expenses	54,456.07	98,063	39,756	40,136
Equipment	1,596.00	0	0	0
Capital Outlay	259,956.18	458,750	647,587	716,817
Total Program Costs	$453,815.02	$713,373	$863,908	$933,591
State Special Revenue Fund	453,815.02	713,373	863,908	933,591
Total Funding Costs	$453,815.02	$713,373	$863,908	$933,591
Current Level Services	453,815.02	713,373	863,908	933,591
Total Service Costs	$453,815.02	$713,373	$863,908	$933,591

Program Description

The Resource Development Program staff are responsible for developing and improving state lands to increase revenue for the trust funds and for restoring and preserving state land resources according to the policy delineated in section 77-1-601, MCA. This program is assigned to the Lands Division.

Budget Issues

The request includes $647,587 in FY 1986 and $716,817 in FY 1987 to continue a variety of land and water development projects to enhance the values of state trust properties. The projects include stockwater, irrigation, saline seep reduction, bridges and weed control improvements.

FORESTRY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	177.73	183.81	212.71	224.24
Personal Services	4,154,065.41	3,987,580	4,760,105	5,002,797
Operating Expenses	2,624,180.44	2,500,409	2,601,095	2,577,380
Equipment	454,033.72	527,193	685,818	480,486
Capital Outlay	45,281.48	10,000	25,000	25,000
Total Program Costs	$7,277,561.05	$7,025,182	$8,072,018	$8,085,663
General Fund	4,649,056.26	4,264,916	5,044,170	5,077,541
State Special Revenue Fund	1,409,328.86	1,525,130	1,352,706	1,354,891
Federal & Other Spec Rev Fund	1,219,175.93	1,235,136	1,675,142	1,653,231
Total Funding Costs	$7,277,561.05	$7,025,182	$8,072,018	$8,085,663
Current Level Services	6,504,747.36	7,025,182	6,644,802	6,619,708
Modified Level Services	772,813.69	0	1,427,216	1,465,955
Total Service Costs	$7,277,561.05	$7,025,182	$8,072,018	$8,085,663

Program Description

The Forestry Program is administered through the Forestry Division in Missoula. The program is designed to manage and protect Montana forests, especially those owned by the state or held in trust for the support of education. Program services include:

The Fire Management program - provides direct fire control services within forest fire districts and by contract to private landowners, and cooperative fire control agreements through which counties are assisted in meeting their fire protection responsibilities.

The Multiple-use Concept program - provides active protection of water-shed and young stands of timber, continuing inventory to support planning for improving forest land capability, and proposed consolidation of state-owned forest land into units that can be more easily managed on a sustained yield basis.

Technical Assistance - provides private forest land operations with training, demonstrations, utilization and marketing assistance in order to reduce waste, increase efficiency of logging operations and forest product businesses, and to increase benefits to local communities.

The Forest Tree Nursery - produces and distributes seedling trees and shrubs at a price that encourages such conservation practices as shelterbelts, windbreaks, forest plantings, wildlife cover, and reclamation plantings on state and private lands.

Administration of the Fire Hazard Reduction and Management Law - assures that the fire hazard created by logging and other forest management operations is reduced by treatment or that additional protection is provided until the fire hazard is reduced to an acceptable level.

FORESTRY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	177.73	183.81	212.71	224.24

Insect and Disease Protection - studies are conducted and measures adopted to prevent and suppress outbreaks of forest insect pests and tree diseases. The project is carried out in cooperation with the federal government and private landowners.

Institutional Forestry program - needed forest work is performed and the work potential and skills of young men at the Swan River Youth Forest Camp are developed through training in the areas of forestry, carpentry, and automotive mechanics. This program is a cooperative effort with the Department of Institutions.

Budget Issues

The request does not include Resource Indemnity Trust (RIT) funds as directed by the 48th Legislature. One FTE training officer is transferred into the program as part of a reorganization. The fire suppression costs are not included in this request. Suppression costs are covered through supplemental appropriations. Eleven counties are not members of the state-county fire cooperative. The recommendation includes $275,000 general funds per year for the eleven counties to join.

FTE and operational cost increases over FY 1984 are due to the State assumption of pre-suppression costs of the Libby Block from the United States Forest Service as approved by the 48th Legislature.

Data processing costs remain at current level. Expansion of existing division data processing functions is not recommended. The department should begin a plan to integrate the division data processing into the department plan.

The current level request discontinues department policy of paying personnel service costs associated with brush activities and timber stand improvements from the general fund. All operational costs in these activities are paid for by fees. FY 1984 costs to the general fund were $77,000. The nursery remains supported with partial general fund assistance.

Modification Requests

Increased Workload
The department proposal to increase timber harvests on state lands will increase funds for timber stand improvements. This request is funded by an increase in fees from $8.00/MBF to $11.00/MBF. FY 1986 - 2.75 FTE, FY 1987 - 4.50 FTE

Cost: FY 1986 - $248,758 FY 1987 - $276,259

Increased Workload
The departments proposal to increase timber harvests on state lands will increase the funds available for slash and brush control efforts. The request will require an increase in the slash and brush fee from $8.00/MBF to $11.00/MBF. 6.28 FTE per year.

FORESTRY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	177.73	183.81	212.71	224.24

Cost: FY 1986 - $267,472 FY 1987 - $283,646

New Program
Continues a budget amendment for a forest economist to conduct fiscal analysis of future timber markets, timber management programs and the fire management program. Federal funds. 1.00 FTE.

Cost: FY 1986 - $ 29,215 FY 1987 - $ 30,374

Expanded Services
Provides for expansion of the nursery growing stock used for windbreaks, reforestation and shelterbelts. Federal and earmarked funds. 1.66 FTE.

Cost: FY 1986 - $ 31,696 FY 1987 - $ 31,707

New Program
Provides for state assumption of fire protection coverage of 400,000 acres currently under contract with the United States Forest Service. This action continues the equalization of fire coverage initiated by the 48th Legislature with the state assumption of the Libby Block in 1984. Funds are provided by the landowner fire assessments. FY 1986 - 3.54 FTE, FY 1987 - 9.74 FTE.

Cost: FY 1986 - $266,579 FY 1987 - $251,840

Expanded Services
The department proposes expansion of timber sales on state lands by 18 million board feet annually. The new sales areas are in more difficult terrain and will require additional personnel to prepare the sales. The department estimates the additional sales will generate $1,350,000 annually to the state trust accounts. General funds are required. 10.42 FTE in FY 1986 and 12.00 FTE in FY 1987.

Cost: FY 1986 - $308,496 FY 1987 - $317,129

Expanded Services
This request permits eleven counties not currently members of the state-county fire cooperative to join the coop. General funds are requested. 2.25 FTE in FY 1986 and 4.25 FTE in FY 1987

Cost: FY 1986 - $275,000 FY 1987 - $275,000

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	122.61	122.61	122.61	122.61
Personal Services	2,922,627.63	2,945,939	3,060,059	3,066,761
Operating Expenses	1,366,928.34	1,514,660	1,540,125	1,549,681
Equipment	77,089.16	126,670	170,220	165,762
Benefits and Claims	3,377.13	2,000	2,300	2,300
Total Agency Costs	$4,370,022.26	$4,589,269	$4,772,704	$4,784,504
General Fund	593,533.15	622,190	664,101	663,014
State Special Revenue Fund	3,258,094.69	3,447,579	3,520,603	3,533,490
Federal & Other Spec Rev Fund	518,394.42	519,500	588,000	588,000
Total Funding Costs	$4,370,022.26	$4,589,269	$4,772,704	$4,784,504
Current Level Services	4,370,022.26	4,589,269	4,735,767	4,755,684
Modified Level Services	0.00	0	36,937	28,820
Total Service Costs	$4,370,022.26	$4,589,269	$4,772,704	$4,784,504

Agency Description

The Department of Livestock was established to provide state responsibility for the control and eradication of animal diseases, the prevention of the transmission of animal disease to humans, and for the protection of the livestock industry from theft and predatory animals.

The Department of Livestock is provided for in section 2-15-3101, MCA. The department is organized into four major divisions: Animal Health Division, Centralized Services Division, Brands Enforcement Division, and Diagnostic Laboratory Division.

Policy Issues

The 1987 biennium request reflects a department reorganization and a 1.00 FTE current level reduction in the Disease Control program.

The request maintains current level services in all programs. The department request for an expanded data processing plan costing $172,043 is included in the recommended budget.

A 4% vacancy savings factor is applied department wide except the animal control and inspection programs.

The department rent is based on 15,264 sq. ft. at $2.97 per sq. ft. in FY 1986 and $3.00 per sq. ft. in FY 1987.

CENTRALIZED SERVICES PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.50	9.50	9.00	9.00
Personal Services	225,747.64	203,696	262,586	263,231
Operating Expenses	130,045.36	128,011	146,700	123,841
Equipment	669.00	0	700	12,974
Total Program Costs	$356,462.00	$331,707	$409,986	$400,046
General Fund	65,422.00	65,080	73,526	71,904
State Special Revenue Fund	291,040.00	266,627	336,460	328,142
Total Funding Costs	$356,462.00	$331,707	$409,986	$400,046
Current Level Services	356,462.00	331,707	409,986	400,046
Total Service Costs	$356,462.00	$331,707	$409,986	$400,046

Program Description

The Centralized Services Division staff are responsible for the accounting, budgeting, payroll, personnel, legal services, purchasing, administrative, and general services functions for the Department of Livestock.

Budget Issues

A .50 FTE reduction results from a reorganization. The Board of Livestock and the Executive Secretary are funded in this program.

DIAGNOSTIC LABORATORY PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.80	19.80	19.00	19.00
Personal Services	495,523.99	497,647	486,772	488,609
Operating Expenses	167,476.03	192,347	185,139	188,940
Equipment	994.00	26,915	16,725	9,000
Total Program Costs	$663,994.02	$716,909	$688,636	$686,549
General Fund	312,615.02	346,252	321,324	322,684
State Special Revenue Fund	351,379.00	370,657	367,312	363,865
Total Funding Costs	$663,994.02	$716,909	$688,636	$686,549
Current Level Services	663,994.02	716,909	688,636	686,549
Total Service Costs	$663,994.02	$716,909	$688,636	$686,549

Program Description

The Diagnostic Laboratory Program's functions are to provide laboratory support for the Disease Control and Milk and Egg Bureaus; provide laboratory diagnostic support to veterinarians and livestock producers; protect the public health by testing dairy products and performing diagnostic tests on suspected rabies cases and other zoonotic diseases; and provide test services to enhance the marketability of livestock. Testing on wildlife and small animals is performed upon request.

Budget Issues

A .80 FTE reduction results from a reorganization.

DISEASE CONTROL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	13.10	12.50	15.30	15.30
Personal Services	400,028.91	389,609	400,813	402,468
Operating Expenses	93,699.29	109,052	120,223	131,202
Equipment	10,364.65	16,810	33,391	20,826
Benefits and Claims	2,316.00	2,000	2,300	2,300
Total Program Costs	$506,408.85	$517,471	$557,727	$556,796
State Special Revenue Fund	506,408.85	517,471	557,727	556,796
Total Funding Costs	$506,408.85	$517,471	$557,727	$556,796
Current Level Services	506,408.85	517,471	557,727	556,796
Total Service Costs	$506,408.85	$517,471	$557,727	$556,796

Program Description

The Disease Control Program's functions are to: provide for the diagnosis, prevention, control, and eradication of animal diseases and disorders; maintain a disease surveillance system; provide education and information on animal diseases and disorders to the livestock industry, the veterinary profession, and the public at large; conduct applied research into the causes, transmissibility and control of animal disease and disorders; enforce sanitary standards and inspect animals at livestock auction markets; monitor and enforce import-export requirements applied to livestock; and assist the Department of Health and Environmental Sciences in the control of animal diseases transmissible to man. The program is part of the Animal Health Division.

Budget Issues

A 2.20 FTE increase results from a reorganization.

MILK & EGG PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.20	7.20	7.70	7.70
Personal Services	170,284.55	166,546	205,069	205,299
Operating Expenses	26,954.58	32,492	34,436	36,187
Equipment	13,271.00	15,040	26,480	23,674
Total Program Costs	$210,510.13	$214,078	$265,985	$265,160
General Fund	196,010.13	199,578	247,985	247,160
Federal & Other Spec Rev Fund	14,500.00	14,500	18,000	18,000
Total Funding Costs	$210,510.13	$214,078	$265,985	$265,160
Current Level Services	210,510.13	214,078	229,048	236,340
Modified Level Services	0.00	0	36,937	28,820
Total Service Costs	$210,510.13	$214,078	$265,985	$265,160

Program Description

The Milk and Egg Program's function is to insure that eggs, milk and milk products sold or manufactured in Montana are fit for human consumption. This function is accomplished through licensing, sampling, laboratory testing, and product and site inspecting done in cooperation with other state and federal agencies. The program supervises the enforcement of state and federal law. It is operated by the Animal Health Division.

Budget Issues

A .50 FTE increase results from a department reorganization.

Personal services cost increases result because of a classification appeal and upgrade of all field sanitarians.

Two new 1/2 ton pickups are requested each year to maintain the planned rotation of vehicles after 100,000 miles of service.

Modification Request

Workload Increase
New cheese plants will be completed in Yaak and Great Falls. Each plant requires 8 annual inspections. To inspect the new plants and to meet federal time lapse requirements between the gathering and testing of milk samples 1.00 FTE sanitarian and operational expenses is necessary. General funds are requested.

Cost: FY 1986 - $36,937 FY 1987 - $28,820

INSPECTION & CONTROL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	68.81	69.11	68.61	68.61
Personal Services	1,518,749.51	1,570,259	1,609,090	1,611,851
Operating Expenses	233,779.23	321,163	246,881	261,793
Equipment	51,790.51	67,905	86,724	93,088
Benefits and Claims	1,061.13	0	0	0
Total Program Costs	$1,805,380.38	$1,959,327	$1,942,695	$1,966,732
State Special Revenue Fund	1,805,380.38	1,959,327	1,942,695	1,966,732
Total Funding Costs	$1,805,380.38	$1,959,327	$1,942,695	$1,966,732
Current Level Services	1,805,380.38	1,959,327	1,942,695	1,966,732
Total Service Costs	$1,805,380.38	$1,959,327	$1,942,695	$1,966,732

Program Description

The Inspection and Control Program is part of the Brands Enforcement Division and its staff are responsible for theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of livestock security interests, dealer licensing, and hide and beef inspection.

Budget Issues

A .20 FTE reduction results from a reorganization.

If livestock sales increase significantly over present levels increased funding may be necessary to meet the additional workload.

This program is funded 100 percent with fees and mill levies.

BEEF & PORK RSRCH & MRKTG BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Personal Services	150.00	0	150	150
Operating Expenses	503,744.42	505,000	569,850	569,850
Total Program Costs	$503,894.42	$505,000	$570,000	$570,000
Federal & Other Spec Rev Fund	503,894.42	505,000	570,000	570,000
Total Funding Costs	$503,894.42	$505,000	$570,000	$570,000
Current Level Services	503,894.42	505,000	570,000	570,000
Total Service Costs	$503,894.42	$505,000	$570,000	$570,000

Program Description

The Beef and Pork Research and Marketing Program's functions are to promote effective research into the production and marketing of beef and pork through collection and distribution of funds. Funds derived from a per-head assessment on swine sold are distributed to the Pork Research and Marketing Committee and the National Pork Council. Funds derived from a per-head tax on cattle owned is allocated to the Montana Beef Council for distribution to state and national organizations. The Montana Pork Research and Marketing Committee is provided for in section 2-15-3103, MCA, and is attached to the Department of Livestock for administrative purposes.

Budget Issues

The recommended budget maintains this program at current level.

PREDATORY ANIMAL CONTROL PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.20	4.50	3.00	3.00
Personal Services	112,143.03	118,182	94,579	95,153
Operating Expenses	176,743.43	200,315	200,630	201,602
Equipment	0.00	0	6,200	6,200
Total Program Costs	$288,886.46	$318,497	$301,409	$302,955
State Special Revenue Fund	288,886.46	318,497	301,409	302,955
Total Funding Costs	$288,886.46	$318,497	$301,409	$302,955
Current Level Services	288,886.46	318,497	301,409	302,955
Total Service Costs	$288,886.46	$318,497	$301,409	$302,955

Program Description

The Predator Control Program offers protection to livestock producers by controlling certain types of predators that kill or injure domestic livestock. The program is also designed to alleviate problems caused by species that may endanger human health or safety, particularly the coyote, which can carry bubonic plague. The program is operated by the Brands Enforcement Division.

Budget Issues

A 1.20 FTE reduction results from a reorganization.

Aircraft insurance rate increases of 10 percent per year is requested.

RABIES & RODENT CONTROL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	34,486.00	26,280	36,266	36,266
Total Program Costs	$34,486.00	$26,280	$36,266	$36,266
General Fund	19,486.00	11,280	21,266	21,266
State Special Revenue Fund	15,000.00	15,000	15,000	15,000
Total Funding Costs	$34,486.00	$26,280	$36,266	$36,266
Current Level Services	34,486.00	26,280	36,266	36,266
Total Service Costs	$34,486.00	$26,280	$36,266	$36,266

Program Description

The Rabies Control Program was designed to prevent exposure of domestic animals and humans from rabid skunks. The program is part of the Animal Health Division.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	266.90	253.79	257.79	256.79
Personal Services	5,796,954.75	6,019,109	6,434,324	6,417,672
Operating Expenses	3,030,830.92	4,382,527	6,942,746	4,811,757
Equipment	140,578.35	67,845	111,272	51,497
Capital Outlay	60,000.00	300,000	2,018,000	0
Local Assistance	99,071.30	100,000	100,000	100,000
Grants	3,457,663.21	3,491,940	1,494,914	1,370,706
Transfers	805,813.24	0	0	0
Debt Service	0.00	0	8,500	8,500
Total Agency Costs	$13,390,911.77	$14,361,421	$17,109,756	$12,760,132
General Fund	4,318,630.64	3,488,353	5,938,603	5,706,439
State Special Revenue Fund	7,623,767.91	9,342,345	7,975,909	5,872,170
Federal & Other Spec Rev Fund	1,448,513.22	1,530,723	3,195,244	1,181,523
Total Funding Costs	$13,390,911.77	$14,361,421	$17,109,756	$12,760,132
Current Level Services	12,944,600.00	14,361,421	14,964,836	12,509,623
Modified Level Services	446,311.77	0	2,144,920	250,509
Total Service Costs	$13,390,911.77	$14,361,421	$17,109,756	$12,760,132

Agency Description

Through execution of the statutory responsibilities concerning Montana's land, water, and energy resources, the Department of Natural Resources and Conservation (DNRC) assists in maintaining and enhancing the quality of life in the state. Resources are managed and their development assisted to answer human needs and achieve economic well-being. Safeguards are provided so that development activities do not unduly jeopardize the human or natural environment, unavoidable effects are mitigated, and the resource needs of future generations can be met. The department is provided for in section 2-15-3301, MCA.

Budget Issues

The request does not include Resource Indemnity Trust (RIT) funds as directed by the 48th Legislature.

The department is scheduled to move into a new building about February 1986. FY1986 rent and utility costs are pro-rated to reflect the move. Moving expense of $20,000 is included in FY 1986. The department request also includes rent costs based on 68,362 sq. ft. in the new building and 392 sq. ft. at the old liquor warehouse. New building rent costs are $2.97 per sq. ft. in FY 1986 and $3.00 per sq. ft. in FY 1987. Rent costs on the old liquor warehouse are $1.42 per sq. ft. for each year.

The Water Rights Compact Commission is scheduled to sunset on 30 June 1985. The department request includes funds to continue the Commission.

CENTRALIZED SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	44.37	45.00	42.00	42.00
Personal Services	1,094,233.51	1,134,810	1,128,786	1,130,745
Operating Expenses	318,448.09	350,882	614,187	464,776
Equipment	3,583.65	5,624	37,372	4,827
Total Program Costs	$1,416,265.25	$1,491,316	$1,780,345	$1,600,348
General Fund	1,069,230.90	1,089,885	1,283,059	1,098,375
State Special Revenue Fund	314,663.00	371,745	327,286	331,973
Federal & Other Spec Rev Fund	32,371.35	29,686	170,000	170,000
Total Funding Costs	$1,416,265.25	$1,491,316	$1,780,345	$1,600,348
Current Level Services	1,416,265.25	1,491,316	1,712,704	1,533,760
Modified Level Services	0.00	0	67,641	66,588
Total Service Costs	$1,416,265.25	$1,491,316	$1,780,345	$1,600,348

Program Description

The staff of the Centralized Services Program perform managerial and administrative support services essential to the effective operation of all DNRC divisions. Areas of responsibility include budgeting and accounting, payroll preparation, purchasing, systems analysis and data processing, inventory, legal counsel, personnel, research center, public information and involvement, and technical writing, editing and cartography.

Budget Issues

The budget request increases to include all department rent and utility costs. $20,000 is requested in FY1986 to pay for moving costs to the new building.

Two vacant positions are deleted. The clerical position has been vacant in excess of 13 months. The pilot FTE is no longer needed. Two FTE are transferred to the oil and gas program.

Resource Indemnity Trust (RIT) funds are not included as requested by the 48th Legislature. One FTE transferred to Department of Revenue.

Legislative audit costs are $21,000 for the biennium.

The Board of Natural Resources' budget is $32,972 general fund per year. The Board expended $25,132 in FY 1984.

Modification Request

Workload Increase
Additional data processing workload requires 1.00 FTE and costs to assist the various department programs with data processing requirements. Funding is from

CENTRALIZED SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	44.37	45.00	42.00	42.00

various earmarked accounts.

Cost: FY 1986 - $ 27,890 FY 1987 - $ 27,278

Workload Increase
Additional legal work in the water adjudication and water development areas require an additional attorney. The request is funded 70% general funds and 30% water development funds.

Cost: FY 1986 - $ 39,751 FY 1987 - $ 39,310

OIL & GAS REGULATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	23.00	25.00	24.00	24.00
Personal Services	519,561.21	584,570	607,216	608,798
Operating Expenses	203,929.14	371,500	244,274	240,888
Equipment	38,155.96	37,054	24,630	28,700
Total Program Costs	$761,646.31	$993,124	$876,120	$878,386
State Special Revenue Fund	761,646.31	993,124	876,120	878,386
Total Funding Costs	$761,646.31	$993,124	$876,120	$878,386
Current Level Services	761,646.31	993,124	876,120	878,386
Total Service Costs	$761,646.31	$993,124	$876,120	$878,386

Program Description

The function of the Oil and Gas Conservation Division is to administer Montana oil and gas laws to promote conservation and prevent wasteful practices in the recovery of these resources. Exploration and drilling are regulated through permits, well classifications, inspections and investigations. Well spacing units, secondary recovery programs and pooling orders are established and engineering and geologic studies are conducted.

Well information, including logs, completion data, test data and production records, is collected and filed for public and industry research.

Budget Issues

The budget request includes $10,000 per year from the Resource Indemnity Trust (RIT) to continue plugging and reclaimation of abandoned wellsites.

One vacant position is reduced from the FY 1985 authorized level. The Board does not need this FTE to accomplish the work. Two FTE are transferred into the program to continue work on oil and gas records. The FTE's were in central services, program 21.

CONSERVATION DISTRICTS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.20	5.20	5.20	5.20
Personal Services	107,878.36	123,672	129,176	129,615
Operating Expenses	106,654.50	130,714	295,703	316,809
Equipment	6,223.83	717	9,827	250
Local Assistance	99,071.30	100,000	100,000	100,000
Grants	183,066.53	240,000	220,000	220,000
Total Program Costs	$502,894.52	$595,103	$754,706	$766,674
General Fund	0.00	0	280,949	275,321
State Special Revenue Fund	500,511.38	590,711	471,150	488,650
Federal & Other Spec Rev Fund	2,383.14	4,392	2,607	2,703
Total Funding Costs	$502,894.52	$595,103	$754,706	$766,674
Current Level Services	502,894.52	595,103	752,099	763,971
Modified Level Services	0.00	0	2,607	2,703
Total Service Costs	$502,894.52	$595,103	$754,706	$766,674

Program Description

The Conservation Districts Division staff supervise the administration of soil and water conservation districts. The division staff perform eight major functions:

Conservation Districts Supervision - provides supervision, assistance, and coordination to local conservation districts in their efforts toward proper development and management of land, water and other resources.

The 208 Sediment Control Project - assists districts in complying with federal water-quality objectives, emphasizing a district-level water quality program.

The Rangeland Resource Project - established under the Montana Rangeland Resource Act by the 1977 Legislature, improves rangeland management and coordinates federal, state, and local range-management efforts.

The Watershed Planning Project - reviews small watershed projects with assistance and partial funding by the Soil Conservation Service of the U.S. Department of Agriculture under Public Law 566.

The Cooperative State Grazing Districts - assists and advises the state grazing districts regarding the conservation, protection, and restoration of grass, forage, and range resources.

Resources Conservation Planning - provides an appraisal of soil, water, and related resources every five years and of corresponding plans at conservation district, state, and national levels.

The Loan Program - provides low interest loans to individuals for range improvement projects.

CONSERVATION DISTRICTS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.20	5.20	5.20	5.20

The Grant Program - provides grants to conservation districts for projects and activities within their boundaries.

Budget Issues

The budget request maintains the program at current level. The request includes a new car in FY 1986 for the Miles City office, $100,000 per year in general fund to support administrative costs in the various conservation districts. Resource Indemnity Trust (RIT) funds are not included as directed by the 48th Legislature.

Modification Requests

New Services
The Corps of Engineers will locate staff members at various conservation district offices to assist individuals with Corps of Engineers applications. The Corps will provide funds to pay for the added administrative expenses.

Cost: FY 1986 - $ 2,607 FY 1987 - $ 2,703

WATER RESOURCES & PLANNING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	141.59	140.59	143.59	143.59
Personal Services	3,027,441.96	3,205,462	3,427,183	3,434,436
Operating Expenses	1,628,162.05	1,417,040	1,238,980	1,262,545
Equipment	90,065.36	24,000	35,924	14,470
Capital Outlay	60,000.00	300,000	2,018,000	0
Grants	1,169,679.85	0	0	0
Transfers	805,813.24	0	0	0
Debt Service	0.00	0	8,500	8,500
Total Program Costs	$6,781,162.46	$4,946,502	$6,728,587	$4,719,951
General Fund	2,703,020.20	1,843,525	3,745,285	3,710,932
State Special Revenue Fund	4,008,355.91	3,050,151	2,940,502	966,219
Federal & Other Spec Rev Fund	69,786.35	52,826	42,800	42,800
Total Funding Costs	$6,781,162.46	$4,946,502	$6,728,587	$4,719,951
Current Level Services	6,781,162.46	4,946,502	6,637,944	4,630,101
Modified Level Services	0.00	0	90,643	89,850
Total Service Costs	$6,781,162.46	$4,946,502	$6,728,587	$4,719,951

Program Description

The Water Resources Division staff are responsible for many programs associated with the uses, development and protection of Montana's water. These programs include the following:

Water Planning - (Title 85, chapter 1, MCA) - administers Montana's water planning responsibilities, which include ensuring that Montana's interests are represented in national water policy and federal water resources programs and projects conducted in Montana. The program includes projection of future water requirements, formulation of plans and alternatives, administration of the water reservation statutes, identification of water storage needs and projects, evaluation of effects of varying levels of water use, recommendations for implementation methods for water resource programs and projects, and development of state water policy.

Water Rights - (Article IX, Section 3 of the Montana Constitution) - administers a permit system for new appropriations and is centralizing all existing water rights records and administers the Water Rights Adjudication Act, which established a water court system to adjudicate existing water rights claimed prior to July 1, 1973. Although the administrative responsibility for the court system has been transferred to the Judiciary, the division staff are still responsible for administering the water claims program.

Water Projects - (Title 85, chapter 1, MCA) - provides water to Montana citizens by developing, operating and maintaining a system of 40 state-owned water conservation projects.

WATER RESOURCES & PLANNING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	141.59	140.59	143.59	143.59

Floodplain Management Program - (Title 76, chapter 3, MCA) - determines 100-year frequency floodway and floodplain boundaries for all streams in Montana and manages and regulates floodprone lands and waters to prevent or alleviate flood threats to life and property. As the state's coordinating agent for the Department of Housing and Urban Development Federal Flood Insurance Program, the Floodplain Management Program staff assist local political subdivisions in meeting flood insurance eligibility requirements.

Dam Safety - (Title 83, chapter 15, MCA) - administers state programs for the safety, inspection and inventory of federal, state and private dams.

Renewable Resources and Technical Assistance - (Title 90, chapter 2, MCA) - provides technical assistance to sponsors of proposed water development and renewable resources projects and implements the Renewable Resource Development (RRD) Act. Technical assistance is provided to local groups through the preparation of preliminary feasibility reports. The RRD program invests coal severance funds in Montana's renewable resources, either through direct grants, loans or as security for the issuance of state revenue bonds. The Water Resources Program staff review all applications for Renewable Resource loans and grants and make recommendations to the Governor. When RRD grants are awarded by the Legislature, the staff of the Water Resources Program administer the grants to insure proper execution of legislative intent.

Water Development - (Title 85, chapter 1, MCA) - administers Montana's Water Development Program, which provides grants and loans to public and private entities. In addition, bonds backed by the coal severance tax can be sold for the development of water resource projects.

Water Allocation Negotiations - (Title 85, chapters 1 and 2, MCA) - ensures that Montana's interests are represented in negotiations with other states and Canada regarding water allocation. Staff assistance is also provided to the Reserved Water Rights Compact Commission, which negotiates with federal agencies and Indian tribes concerning reserved water rights.

Budget Issues

The budget request does not include Resource Indemnity Trust (RIT) funds as directed by the 48th Legislature. The request includes $2,018,000 of water development funds for work on state owned water projects.

The Water Rights Compact Commission sunsets on 30 June 1985. The request includes $90,453 in FY 1986 and $90,453 in FY 1987 to continue the Commission.

Modification Request

New Services
The department will expand the water demonstration project program to enable the department to propose new projects and to meet on-going workloads. Earmarked funds

WATER RESOURCES & PLANNING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	141.59	140.59	143.59	143.59

requested, 2.00 FTE.

Cost: FY 1986 - $ 51,924 FY 1987 - $ 51,528

Workload Increase
An additional 40 water decrees from the Montana Water Court requires additional field investigators. These field investigations will increase travel and maintenance costs. General funds requested.

Cost: FY 1986 - $ 11,550 FY 1987 - $ 11,550

Workload Increase
The department workload in water studies and implications of additional water decrees will require a hydrologist to conduct field studies. General funds requested, 1.00 FTE.

Cost: FY 1986 - $ 27,169 FY 1987 - $ 26,772

ENERGY PLANNING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	52.74	38.00	43.00	42.00
Personal Services	1,047,839.71	970,595	1,141,963	1,114,078
Operating Expenses	773,637.14	2,112,391	4,549,602	2,526,739
Equipment	2,549.55	450	3,519	3,250
Grants	2,104,916.83	3,251,940	1,274,914	1,150,706
Total Program Costs	$3,928,943.23	$6,335,376	$6,969,998	$4,794,773
General Fund	546,379.54	554,943	629,310	621,811
State Special Revenue Fund	2,038,591.31	4,336,614	3,360,851	3,206,942
Federal & Other Spec Rev Fund	1,343,972.38	1,443,819	2,979,837	966,020
Total Funding Costs	$3,928,943.23	$6,335,376	$6,969,998	$4,794,773
Current Level Services	3,482,631.46	6,335,376	4,985,969	4,703,405
Modified Level Services	446,311.77	0	1,984,029	91,368
Total Service Costs	$3,928,943.23	$6,335,376	$6,969,998	$4,794,773

Program Description

The staff of the Energy Division administer the Montana Major Facility Siting Act (MFSA), the Alternative Energy Grant and Loan Program, the Energy Emergency Powers Act, and federally-sponsored energy conservation programs. These responsibilities are carried out by three bureaus.

The Conservation and Renewable Energy Bureau's purpose is to reduce Montana's dependence on fossil fuels by encouraging energy conservation and the use of renewable resources. Bureau staff administer the Alternative Renewable Energy Grant and Loan Program and federally-funded conservation and geothermal programs. They award grants and loans to individuals and organizations for projects that research, develop, demonstrate, or commercialize the use of renewable energy sources such as solar, wind, geothermal, water, and biomass. The bureau staff are also responsible for development and implementation of Montana's energy conservation programs, assessment and planning for commercial development of Montana's geothermal resources, and the Bonneville Power Administration's conservation programs.

The Facility Siting Bureau staff administer the MFSA and conduct analyses under the Montana Environmental Policy Act (MEPA). As required by MFSA, bureau staff prepare environmental evaluations of proposed power and energy conversion facilities and related structures to ensure that the location, construction, and operation of such facilities do not adversely affect the physical environment and the citizens of the state. At the completion of each evaluation, an environmental impact statement is issued and a recommendation made to the Board of Natural Resources and Conservation whether to grant, deny, or modify the proposal. Previously approved projects are also monitored for compliance with conditions set forth in the approval certificate.

ENERGY PLANNING BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	52.74	38.00	43.00	42.00

The Planning and Analysis Bureau staff are responsible for the need and alternative analyses required by MFSA. Other duties include energy policy development and issue evaluation, administration of the Energy Emergency Powers Act, and fuel situation monitoring.

Budget Issues

The request includes $300,000 per year for the Institutional Building Program, $25,000 per year for the Institutional Conservation Program, $919,214 in FY 1986 and $825,706 for Renewable Energy grants. FY 1986 includes $113,000 for Lake Broadview mitigation costs. Mitigation efforts include land purchases and land improvements to increase duck populations.

Modification Requests

New Services
The Bonneville Power Administration (BPA) will provide $1,650,000 in FY 1986 as settlement for any adverse environmental impacts of the Garrison-West power line in the Rock Creek area.

Cost: FY 1986 - $1,650,000

New Services
Continues a budget amendment to allow the Department to conduct a demonstration project to document energy savings and building costs of more energy efficient building codes. Bonneville Power Administration (BPA) funds are utilized. 3.00 FTE in FY 1986 and 2.00 FTE in FY 1987

Cost: FY 1986 - $ 276,328 FY 1987 - $ 33,484

Workload Increase
This request expands a core staff with general fund support to work on Montana Facility Siting Act (MFSA) and Montana Energy Planning Act (MEPA) applications. Funding 50% general funds and 50% earmarked funds. 2.00 FTE

Cost: FY 1986 - $ 57,701 FY 1987 - $ 57,884

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	1,013.93	1,011.55	1,029.05	997.05
Personal Services	19,129,668.98	19,787,540	20,980,690	20,555,988
Operating Expenses	35,028,109.62	39,610,744	38,370,238	38,052,747
Equipment	621,506.61	443,076	1,434,995	355,024
Capital Outlay	8,996.51	0	0	0
Local Assistance	7,319,635.64	8,275,000	8,681,000	9,199,000
Benefits and Claims	11,086.32	0	4,000	1,000
Transfers	16,301,533.15	14,993,000	17,518,000	18,784,000
Total Agency Costs	$78,420,536.83	$83,109,360	$86,988,923	$86,947,759
General Fund	18,031,397.75	18,303,100	19,940,521	18,942,802
State Special Revenue Fund	6,801,375.58	7,735,961	8,480,637	8,949,456
Federal & Other Spec Rev Fund	1,093,799.55	1,147,228	1,357,054	1,345,116
Proprietary Fund	52,493,963.95	55,923,071	57,210,711	57,710,385
Total Funding Costs	$78,420,536.83	$83,109,360	$86,988,923	$86,947,759
Current Level Services	78,416,829.10	83,109,360	85,761,782	86,330,746
Modified Level Services	3,707.73	0	1,227,141	617,013
Total Service Costs	$78,420,536.83	$83,109,360	$86,988,923	$86,947,759

Agency Description

The Department of Revenue administers state tax law. It enforces compliance, collects and accounts for tax revenue, and provides the Governor and Legislature with information about the state's tax structure. The department administers the property assessment program to assure statewide uniformity in the valuation of property for tax purposes. The department also administers the state liquor enterprise. (Title 15, chapter 1, part 2, MCA; section 2-15-1301, MCA; and Title 16, chapter 1, part 3, MCA).

Policy Issue

The Department of Revenue is developing new computer systems wherever cost-effective, using an integrated database approach. This approach -- actually a category of computer software -- provides benefits not available through other approaches. They include:

1. Better tax compliance and collections through comparing and exchanging information for different types of taxes and with other agencies.

2. More efficient processing and auditing of tax returns.

3. Better service for taxpayers through better and more timely information.

4. Improved management of the state tax and liquor systems through better management decision-making.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	1,013.93	1,011.55	1,029.05	997.05

5. Better policy information on tax and liquor topics for the Legislature and Governor to use in decision-making.

To implement the database approach, the Department has "mapped out" a plan for its information through a data model. Information and budget requests for systems using the database approach appear in individual program budgets.

DIRECTORS OFFICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.50	4.50	7.50	7.50
Personal Services	245,551.18	185,740	255,443	256,933
Operating Expenses	156,352.92	57,114	234,585	136,564
Equipment	6,895.30	0	100	100
Benefits and Claims	11,086.32	0	4,000	1,000
Total Program Costs	$419,885.72	$242,854	$494,128	$394,597
General Fund	304,830.92	165,065	373,542	303,761
State Special Revenue Fund	93,146.80	74,560	93,000	88,000
Proprietary Fund	21,908.00	3,229	27,586	2,836
Total Funding Costs	$419,885.72	$242,854	$494,128	$394,597
Current Level Services	419,885.72	242,854	494,128	394,597
Total Service Costs	$419,885.72	$242,854	$494,128	$394,597

Program Description

The Director's Office staff provide overall management and policy direction for department programs. The Department's personnel and training functions are attached to the Director's Office.

Budget Issues

The FTE count reflects three positions-personnel officer, personnel technician and training officer being transferred in FY84 from Centralized Services to this program.

Included in this budget is $35,000 per year to pay for legal counsel and related expenses needed throughout the department to obtain specialized services in cases of particular significance to the integrity of the state's tax structure.

The Director's budget also includes all insurance costs for the department with the exception of liquor inventory insurance premiums.

Benefits and claims shown are the public campaign funds distributed to all eligible candidates in accordance with Section 13-37-304, MCA.

Audit costs of $99,750 for the department are included in FY86.

CENTRALIZED SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	37.27	40.27	37.27	37.27
Personal Services	740,586.80	821,566	778,762	780,161
Operating Expenses	89,683.76	107,302	92,260	93,871
Equipment	7,923.18	1,400	7,923	7,923
Local Assistance	2,734,322.58	2,750,000	2,901,000	2,997,000
Total Program Costs	$3,572,516.32	$3,680,268	$3,779,945	$3,878,955
General Fund	833,193.74	924,563	873,945	876,955
State Special Revenue Fund	2,734,322.58	2,750,000	2,901,000	2,997,000
Federal & Other Spec Rev Fund	5,000.00	5,000	5,000	5,000
Proprietary Fund	0.00	705	0	0
Total Funding Costs	$3,572,516.32	$3,680,268	$3,779,945	$3,878,955
Current Level Services	3,572,516.32	3,680,268	3,779,945	3,878,955
Total Service Costs	$3,572,516.32	$3,680,268	$3,779,945	$3,878,955

Program Description

The staff of the Centralized Services Division provide centralized processing of incoming mail, cashiering, accounting, payroll, internal management review, and audit services for all department programs. They also administer the state effort to collect bad debts as required by Title 17, chapter 4, MCA.

Budget Issues

The FTE count reflects three positions-personnel officer, personnel technician and training officer being transferred to the Director's Office in FY84.

The proposed budget allows this program to maintain its current level of operation.

The local assistance expenditures shown above represent the distribution of beer and wine taxes to local governments. The funds are appropriated by statute and were not included as an appropriated fund in FY84 and FY85, but are included for appropriation in the 1987 Biennium.

RESEARCH & INFORMATION DIVISIO BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	49.50	53.50	54.50	56.00
Personal Services	986,035.68	1,117,381	1,125,751	1,147,547
Operating Expenses	181,816.06	242,833	190,114	200,744
Equipment	58,044.73	65,889	36,276	8,042
Total Program Costs	$1,225,896.47	$1,426,103	$1,352,141	$1,356,333
General Fund	901,740.98	1,107,189	1,014,105	1,017,249
Proprietary Fund	324,155.49	318,914	338,036	339,084
Total Funding Costs	$1,225,896.47	$1,426,103	$1,352,141	$1,356,333
Current Level Services	1,225,896.47	1,426,103	1,271,590	1,255,887
Modified Level Services	0.00	0	80,551	100,446
Total Service Costs	$1,225,896.47	$1,426,103	$1,352,141	$1,356,333

Program Description

The Research and Information Program staff provide data processing and word processing services to other department programs. They also compile and analyze statistical data, provide research services for other divisions, forecast revenue from tax sources, produce department publications, and provide information to taxpayers.

Budget Issues

Four FTE were transferred from this program to other programs within the Department to satisfy individual program data processing needs. The transfer is reflected in FY84.

In-state travel is increased to allow support for the child support enforcement system and the point-of-sale liquor system approved by the last legislative session.

Included in FY87 is $10,000 for publishing a biennial report as outlined in Section 15-1-205, MCA.

Modification Request

Workload Increase
Data Entry/Software Specialist (FY86 5.00 FTE, FY87 6.50 FTE). Continuing growth in the tax information entered into the state's computer has outstripped the Department's data entry staff resources. The growth has been caused by changes in tax laws that have increased the number of lines on the income tax form and by a general growth in taxpayers for all taxes. Additional data entry staff will alleviate serious problems in delayed income tax refunds and reduced collections from a variety of taxes. Without additional staff the Department will need to consider reallocating resources from revenue producing activities to accomplish the basic processing of returns. The Department is requesting 4 FTE in FY86 and 5.5 FTE

RESEARCH & INFORMATION DIVISIO BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	49.50	53.50	54.50	56.00

in FY87 for data entry to avoid these problems.

The Department also requests a software specialist for the Research and Information Division. At present there is a single individual serving in this capacity. Over the last several years, the hardware and system software in the Helena installation have grown in complexity. The number of computer terminals in use throughout the Department has increased several times over. Two systems are being developed which will be installed in remote locations (Child Support Enforcement regional offices and state retail liquor stores) and will require maintenance. Consequently, the workload has increased to the point where it can no longer be borne by a single individual. This modification will also serve to provide a backup person and thereby supply a greater degree of protection for the Department's substantial investment in technological tools. General Fund/Liquor Revolving

Cost: FY 1986 - $ 80,551 FY 1987 - $100,446

LEGAL DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	69.50	68.50	70.50	70.50
Personal Services	1,456,672.08	1,510,039	1,648,763	1,651,628
Operating Expenses	337,346.61	404,081	446,101	451,601
Equipment	155,122.12	13,325	77,375	29,797
Capital Outlay	1,916.39	0	0	0
Local Assistance	91,036.04	120,000	155,000	160,000
Total Program Costs	$2,042,093.24	$2,047,445	$2,327,239	$2,293,026
General Fund	711,876.19	668,753	727,206	721,003
Federal & Other Spec Rev Fund	1,088,799.55	1,142,228	1,213,932	1,203,892
Proprietary Fund	241,417.50	236,464	386,101	368,131
Total Funding Costs	$2,042,093.24	$2,047,445	$2,327,239	$2,293,026
Current Level Services	2,038,385.51	2,047,445	2,267,420	2,244,529
Modified Level Services	3,707.73	0	59,819	48,497
Total Service Costs	$2,042,093.24	$2,047,445	$2,327,239	$2,293,026

Program Description

The staff of the Legal and Enforcement Division provide legal and investigative services for department programs. They administer laws relating to the enforcement of the alcoholic beverage code (Title 16, chapter 1, part 3, MCA), investigate welfare and Medicaid fraud (Title 53, chapter 2, MCA), and enforce child support obligations as specified in Title 40, chapter 5, MCA.

Budget Issues

The 48th Legislature authorized development of a new child support enforcement accounts receivable system. This budget includes approximately $49,000 per year for on-going costs and maintenance associated with the Child Support Program's new data processing system network.

The federal fund matching ratio for the enforcement of child support obligations remains at 70% federal funds and 30% general fund.

Local assistance payments include $140,000 per year for reimbursements to county attorneys for their assistance in child support enforcement activities. Counties are also reimbursed for their attorney assistance in Welfare Fraud Food Stamp Prosecution. The amount included is $15,000 in FY86 and $20,000 in FY87. These amounts consist entirely of federal pass through funds.

Funding Changes

New federal legislation. Passage of HB 4325 in August, 1984 created additional demands on the Child Support Enforcement Program to meet the procedural mandates of the legislation. Work is being done on a request for additional manpower and funding. The impact of the legislation was not certain in a timeframe sufficient to

LEGAL DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	69.50	68.50	70.50	70.50

be included in the above budget, however a request will be presented to the legislature.

Modification Request

Workload Increase
Additional field and clerical staff (2.00 FTE). There has been no increase in liquor investigative personnel since 1973. The Governor's Council on Management recommended three additional positions in the welfare fraud area. During the 1983 legislative session, however, only two were approved. The demand for both fraud and alcohol beverage investigations has continued to grow. Yet due to increased activity in the welfare fraud area, there has been a net decrease in manhours devoted to alcohol beverage control. The requested position for field investigation would be located in Miles City and funded from Liquor Revolving.

The addition of one clerical FTE to the Investigations Program is essential if the program is to maintain the current level of services. There are presently only two such positions to support a professional staff of 11.

The increase in recipient fraud and liquor licensing investigations comes at a time of increasing demand for investigative services in other criminal aspects of liquor control and welfare fraud. These more complex investigations require detailed transcription of surveillance information and extensive report typing. In addition the Department is under a statutory 30-day limitation for completion of alcohol beverage license investigations. They are currently exceeding this limit in some cases. Increasing demands will result in an inability to complete license application processing within the statutory time limit. This position is funded from Liquor/Federal/General fund.

Cost: FY 1986 - $ 59,819 FY 1987 - $ 48,497

LIQUOR DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	252.58	252.58	216.08	216.08
Personal Services	3,876,069.53	4,635,111	4,345,094	4,352,528
Operating Expenses	31,730,287.33	35,609,609	33,632,344	33,811,056
Equipment	1,407.05-	126,039	963,550	52,750
Transfers	16,301,533.15	14,993,000	17,518,000	18,784,000
Total Program Costs	$51,906,482.96	$55,363,759	$56,458,988	$57,000,334
Proprietary Fund	51,906,482.96	55,363,759	56,458,988	57,000,334
Total Funding Costs	$51,906,482.96	$55,363,759	$56,458,988	$57,000,334
Current Level Services	51,906,482.96	55,363,759	56,458,988	57,000,334
Total Service Costs	$51,906,482.96	$55,363,759	$56,458,988	$57,000,334

Program Description

The Liquor Division staff administer laws governing the sale, taxation, and consumption of distilled spirits, wine, and beer as well as the licensing of those who sell alcoholic beverages. They operate the state retail liquor enterprise (Title 16, chapters 1 through 6, MCA).

Budget Issues

The FTE count reflects 36.5 positions being eliminated in the 1987 biennium. These are vacant positions which occurred due to conversion of state stores to agencies, reclassification of state stores because of decline in sales, and cutbacks in the warehouse.

During the last three bienniums the Liquor Division has operated as a private enterprise with a performance-based budget rather than with an established appropriation. The 48th legislature set the following requirements for the Division: to return profits of not less than thirteen percent of net liquor sales, and to limit operating expenditures, (excluding product cost, freight, and allocable expenses to other Divisions), to fifteen percent of net sales.

The Division's sales declined consistent with lower sales throughout the country. In fiscal year 1984, total dollar sales for the Division declined by 2.84 percent, from $54,768,923 in fiscal year 1983 to $53,213,722 in 1984. Through the same period, unit sales declined by 5.1 percent, from 7,703,216 to 7,310,947. In spite of declining sales, the Division increased its overall net profit by $398,730 or 7.96 percent for the year, and reduced its operating expenses by $448,715 or 6.16 percent. As a result, the Division met its objectives for the year.

The use of a performance budget has enhanced the efficiency of the Division. The Department requests that the Liquor Division again be allowed to operate under a performance budget for the 1987 biennium. Rather than setting a profit goal, the Department requests the legislature set an expenditure goal of fifteen percent of

LIQUOR DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	252.58	252.58	216.08	216.08

net liquor sales. Profit is highly dependent upon sales volumes, which are impossible to predict with accuracy.

Over the past 12 years, the Liquor Division has distributed $221 million of revenue. Of that amount, $31 million has gone to cities and counties while $172 million has been deposited to the general fund. The remainder has funded alcohol treatment programs.

The Liquor Division is developing a new Liquor Information Management System (LIMS) which will be completed during the 1987 biennium. LIMS will be data-based with on-line access. It will use communicating point-of-sale (POS), electronic cash registers in the larger stores, and hand-held devices in the smaller stores. This equipment, which is common in grocery stores, will transmit inventory, sales, and order information to Helena electronically. The cost effectiveness of the point-of-sale concept was demonstrated by a pilot project at a Helena store. The advantages of the new system are numerous. It will permit management to use current data in managing the merchandising and licensing functions of the Liquor Division. Present liquor information systems are inadequate and obsolete. The systems are poorly documented and require excessive staff costs to keep them running. Store sales and inventory data are often received a month after the fact. This leaves management without information needed to control staff and inventory costs. A $50,000,000 per year business needs to be supported by adequate information systems to assure the basis for good business decisions. As sales fluctuate, staffing and other costs must be adjusted if the business is to be well-run. A legislative performance audit conducted on the Liquor Division and released in December 1982, recommended that "the Division revise its liquor information management system immediately." During the last session the Division was also instructed by its appropriations subcommittee to proceed with the project as long as it was cost beneficial.

INCOME TAX BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	77.65	75.15	75.15	75.15
Personal Services	1,496,131.37	1,479,178	1,517,868	1,520,326
Operating Expenses	578,404.25	695,768	709,071	719,033
Equipment	36,454.41	5,520	29,724	10,578
Capital Outlay	7,080.12	0	0	0
Total Program Costs	$2,118,070.15	$2,180,466	$2,256,663	$2,249,937
General Fund	2,112,296.36	2,180,466	2,250,889	2,244,163
State Special Revenue Fund	5,773.79	0	5,774	5,774
Total Funding Costs	$2,118,070.15	$2,180,466	$2,256,663	$2,249,937
Current Level Services	2,118,070.15	2,180,466	2,256,663	2,249,937
Total Service Costs	$2,118,070.15	$2,180,466	$2,256,663	$2,249,937

Program Description

The Income Tax Division administers the state individual income tax law (Title 15, chapters 30, 32, and 33, MCA). The program staff selectively audit returns, enforce compliance with state law, collect tax due, and operate the withholding system.

Budget Issues

The FTE count reflects a decrease of 2.50 FTE. Two clerical positions are reduced in FY85 as a result of increased use of word processing. The Chief of the Withholding Bureau is eliminated the last 6 months of FY85 as a result of efficiencies gained with the redesign of the Withholding Tax System.

Increased printing and postage costs of $74,464 each year are included in the budget to accommodate a change in federal law requiring the Income Tax Division to furnish taxpayers a statement showing the amount of refund received in the previous year. Approximately 215,000 statements will be printed and mailed. The service was not implemented in January of 1984 as originally intended because of an amendment in Congress to repeal the requirement. The amendment failed and the service will begin in January of 1985.

Policy Issue

An additional modification to the budget of this Division is recommended because it will generate revenues several times its cost and will improve the administration and fairness of the income tax system.

The proposal would add 24.5 FTE in FY86 and 26 FTE in FY87 to the income and withholding staff devoted to audit, compliance, collections and taxpayer service work. It would also develop a new department-wide accounts receivables system and new operating systems for income and withholding tax. These new systems will significantly improve tax compliance administration and increase revenues.

INCOME TAX BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	77.65	75.15	75.15	75.15

Funding for this proposal is not included in the budget figures above but is presented here for consideration. Cost of the request is approximately $1,416,037 for the 1987 biennium and the Department estimates $5,600,000 in additional revenue will be generated for the biennium.

CORPORATION TAX BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	31.29	29.00	40.99	40.66
Personal Services	764,720.20	732,578	1,044,497	1,043,785
Operating Expenses	282,984.26	346,588	480,071	488,347
Equipment	8,581.49	1,000	28,539	7,902
Local Assistance	4,494,277.02	5,405,000	5,625,000	6,042,000
Total Program Costs	$5,550,562.97	$6,485,166	$7,178,107	$7,582,034
General Fund	2,245,983.95	2,295,166	2,440,999	2,492,583
State Special Revenue Fund	3,304,579.02	4,190,000	4,598,986	4,953,227
Federal & Other Spec Rev Fund	0.00	0	138,122	136,224
Total Funding Costs	$5,550,562.97	$6,485,166	$7,178,107	$7,582,034
Current Level Services	5,550,562.97	6,485,166	6,867,399	7,288,095
Modified Level Services	0.00	0	310,708	293,939
Total Service Costs	$5,550,562.97	$6,485,166	$7,178,107	$7,582,034

Program Description

The Natural Resource and Corporation Tax Division staff administer the corporation license and income tax law (Title 15, chapters 31, 32, and 33, MCA), the assessment of net and gross proceeds for property tax purposes (Title 15, chapter 23, parts 5 through 8 inclusive, MCA), and severance taxes on extraction of natural resources (Title 15, chapters 35, 36, 37 and 38, MCA). The program staff audit all taxpayer returns to assure compliance with state law.

Budget Issues

The FTE count reflects 1.66 FTE transferred in FY84 to this Division from the Research and Information Division for data processing assistance. Senate Bill 148 of the 48th Legislature transferred collection of the oil and gas producers privilege and license tax from the Oil and Gas Commission to this program. One FTE is reflected for this function in FY86-87.

Data Processing expenditures increase by $24,700 each year due to the net and gross proceeds tax system being developed in FY85 along with a severance tax system. Included in FY86 is $10,000 to modify the corporation tax data base and give the system on-line capability.

Because of new auditors and commercial airline cost savings within the Division, the FY84 base year for travel expenditures is low. Travel is increased by 40% over FY84 to bring the expenditures to a current operating level and allow maximum audit travel for full staff.

Local assistance payments consist of $4.5 million in FY86 and $4.9 million in FY87 of corporation license taxes paid by Financial Institutions which are distributed to local taxing jurisdictions as required in Section 15-13-702, MCA; and $1.1 million

CORPORATION TAX BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	31.29	29.00	40.99	40.66

of oil and gas severance taxes distributed to counties as required in Section 15-36-112, MCA. These funds are appropriated by statute. They are not included as an appropriated fund in FY84 and FY85 but are included for appropriation in the 1987 Biennium.

Modification Requests

Workload Increase
Corporation License Tax Auditor (1.00 FTE). The Division requests one additional auditor to conduct audits of Corporation License Tax returns. While the number of auditors assigned to this effort has remained fixed for the past 10 years, the workload has increased significantly. Since 1975 the number of taxpayers filing Montana Corporation License Tax returns has increased from approximately 13,000 to 22,000. In addition the number of refund claims which require a substantial amount of auditor time have increase by 400%. Because of such increases more and more audit resources have been required to process the increase in volume of documents flowing into this office. This is detracting from the productive work of field audit, desk audit and compliance activities. An additional auditor would allow the Division to restore some of the emphasis on field audits of major corporations. Historically the Division can show that an auditor, once trained, can be expected to produce approximately $600,000 to $800,000 per year in audit collections. General Fund

Cost: FY 1986 - $ 32,986 FY 1987 - $ 31,227

Workload Increase
Natural Resource Tax Auditor (1.00 FTE). This is a request for an additional FTE to conduct audits for the Natural Resource Tax Bureau. This bureau is responsible for administering 14 different taxes imposed on various types of natural resource companies. The Division is substantially under staffed to provide adequate coverage of these various taxes. Many major oil and gas producers have remained unaudited. The addition of another Auditor will allow the Division to review some of these companies before the statute of limitations runs out. In addition it will allow the Division to cover the additional workload created by new legislation relating to windfall profit adjustments. It is anticipated that an additional auditor will generate a minimum of $500,000 per year in audit collections. General Fund

Cost: FY 1986 - $ 32,986 FY 1987 - $ 31,227

Workload Increase
Clerical Support Corporation Tax (1.00 FTE). This is a request for an additional FTE, general office clerk, for the Corporation Tax Bureau. The demand for clerical support has doubled in recent years. This is the result of a 55% increase in the number of filers and an even larger increase in the amount of processing related to the particular files. The Division's ability to meet its statutory obligations depends on the orderly functioning of the filing system. Revenue agents are now assigned to do much of the filing. This is not a cost effective alternative. General Fund

Cost: FY 1986 - $ 15,757 FY 1987 - $ 15,419

CORPORATION TAX BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	31.29	29.00	40.99	40.66

Workload Increase
Word Processing Terminal and Operator (1.00 FTE). This is a request for an additional word processing terminal and operator to support the additional auditors which have been requested and to encourage the efficient use of audit resources. The Division has a very small support staff which consists of three people. Two word processing terminals are operated 100% of the time. The additional equipment and operator are critical if the Division is to meet the demands of an ever increasing workload in this area. General Fund

Cost: FY 1986 - $ 24,885 FY 1987 - $ 17,388

New Services
Personal Property Auditor (1.00 FTE). This is a request for one auditor to audit financial records of centrally assessed companies and provide audit assistance to the Personal Property Bureau in the area of corporate farms, oil rigs, gas field equipment and other special use properties. It is necessary to conduct field audits of property records to assure that all centrally assessed and personal property are properly reported to the Department of Revenue. Recently a field audit of a company with oil rigs in Montana was conducted. This audit produced additional taxable value of $740,000 for three counties. It appears that many companies are under-reporting values which results in a substantial loss of revenue to the counties. The potential return is at least as high as $600,000 - $800,000 per year for the counties.

The auditor is being requested by the Property Valuation Division but included in this budget because of this Division's auditing expertise. General Fund

Cost: FY 1986 - $ 32,986 FY 1987 - $ 31,227

New Services
Mineral Royalty Auditors (FY86-3.33 FTE FY87-3.00 FTE). This is a request for additional auditors and the necessary funding to support the positions. One of the positions will be assigned to the United States Department of the Interior, Minerals Management Service under the Intergovernmental Personnel Act (IPA) (5 U.S.C. 3371 et. seq.) at the Royalty Management Accounting Center in Lakewood, Colorado. The purpose of the assignment will be to enhance the integrity of the revenue distributions received from the federal government for royalties received from federal lands in Montana. This position is funded for July 1, 1984 - October 1, 1985.

The other three positions will participate in Montana's audit activities under a delegation of authority as provided in Section 205 of the Federal Oil and Gas Royalty Management Act of 1982. The delegation will grant authority to conduct audits with respect to the reporting and collection of royalties for oil and gas production from federal lands, of which Montana receives 50% of the collections.

Since Montana became involved in the joint audit program in 1982 the Division has billed in excess of $600,000 in federal royalties, $300,000 in state royalties and $2.4 million in excess windfall profit tax deductions, with total collection being

CORPORATION TAX BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	31.29	29.00	40.99	40.66

in excess of $2.8 million. The State's share of federal royalties are distributed to schools and highways pursuant to 17-3-201 Montana Code Annotated.

Under both the IPA and the 205 delegation, the state will be reimbursed 100% for the costs to participate. Federal Funds

Cost: FY 1986 - $138,122 FY 1987 - $136,224

New Services
Royalties Auditor (1.00 FTE). This is a request for an additional FTE to conduct royalty audits for the Department of State Lands. This position would be located in the Natural Resource Bureau and would be involved with the additional workload associated with state royalty audits. At present the Department of State Lands does not have an audit program to carry out this activity. It is anticipated that this position would return a minimum of $600,000 per year in audit collections. Earmarked Revenue - Department of State Lands

Cost: FY 1986 - $ 32,986 FY 1987 - $ 31,227

PROPERTY VALUATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	441.40	440.40	476.07	442.90
Personal Services	8,667,265.41	8,372,551	9,186,636	8,723,210
Operating Expenses	1,481,774.49	1,955,594	2,313,558	1,874,185
Equipment	345,812.87	224,740	260,050	227,736
Total Program Costs	$10,494,852.77	$10,552,885	$11,760,244	$10,825,131
General Fund	10,494,852.77	10,552,885	11,760,244	10,825,131
Total Funding Costs	$10,494,852.77	$10,552,885	$11,760,244	$10,825,131
Current Level Services	10,494,852.77	10,552,885	11,122,358	10,783,283
Modified Level Services	0.00	0	637,886	41,848
Total Service Costs	$10,494,852.77	$10,552,885	$11,760,244	$10,825,131

Program Description

The staff of the Property Valuation Program administer state law relating to the valuation of property for tax purposes (Article VIII, Section 3, of the Montana Constitution). The program is charged with assuring uniformity of application and equality of result in setting taxable values among the various counties and for determining and apportioning value of properties which transcend county borders.

Budget Issues

The FTE count reflects 1.00 FTE transferred to this program in FY 84 from the Research and Information Division to provide data processing assistance.

The program's current level budget is increased during the 1987 biennium. Major increases are most substantial in FY 86 caused by completion of reappraisal, the large amounts of data to be manipulated, the costs of getting assessment notices to the taxpayers and, subsequently, the valuation appeals that follow. Reappraisal of all taxable property by the Department of Revenue will be complete by January 1986. Assessment notices will be mailed to property owners by the second Monday in July, 1986. Additional funding of approximately $300,000 is included in FY 86 to complete this process.

Also, FY 86 starts a new reappraisal cycle. Every five years all manuals, ownership maps and reference materials must be updated, printed and distributed. Approximately $60,000 is included in FY 86 to complete this process.

Additional funding for Assessor's Offices includes funding for one additional Assessor school per year to allow all staff to participate and $25,000 per year to provide guidebooks, which show current market values, to the County Assessor's Offices.

Authority was given in FY 84 to computerize 17 counties which requested state assistance. This budget reflects an increase in maintenance agreements for hardware

PROPERTY VALUATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	441.40	440.40	476.07	442.90

and software for the 32 counties currently computerized.

Modification Requests

Workload Increase
Attorney and part-time typist (1.50 FTE). The Division requests hiring an assistant attorney to relieve the current workload burden on the staff attorney, while preparing to assume a significant portion of the anticipated high tax appeal load in 1986. Appeal defense is currently handled by one full-time attorney assigned to the Property Assessment Division. In the last two years because of manual disparity cases, increases in industrial and commercial appeals and litigation efforts involving airlines under protected federal legislation, the staff attorney has accumulated several hundred hours of compensatory time and has not been able to take vacation.

It is anticipated a half-time legal typist could provide the necessary clerical support for the additional attorney. General Fund

Cost: FY 1986 - $ 41,830 FY 1987 - $ 41,848

Workload Increase
Clerical support for reappraisal (26.67 FTE). Reappraisal field work is progressing at rates which indicate that this work should be complete or very nearly so by July 1, 1985. However, while the field work is progressing at a satisfactory rate, the Division is confronted with a very significant obstacle which threatens timely completion of reappraisal - a substantial shortage of clerical support. Reappraisal field work production is much greater than the current clerical staff can realistically process even though reappraisal-related activities have been given top priority while emphasis on the other clerical duties associated with the operation of the appraisal offices has been reduced to a critical minimum. In some cases, appraisers have had to delay appraisal field work in order to handle mandatory clerical support activities.

The request for additional clerical support in the reappraisal effort is in the amount of 26.67 aggregate positions. The Division contemplates completing the clerical portion of the reappraisal workload by March of 1986. The addition of these clerical positions is considered critical if the Division is to have reappraisal complete and ready for the tax rolls by July, 1986. General Fund

Cost: FY 1986 - $387,530 FY 1987 - $ 0

Workload Increase
Keypunch - Appraisal Data (6.50 FTE). Completion of all required fieldwork is initially the most vital phase in accomplishing reappraisal. The office work and data entry that accompanies the fieldwork are of equal overall importance.

The field staff of the Property Assessment Division have expended enormous amounts of time and energy preparing the necessary appraisal forms for entry into the Helena computer. Approximately 400,000 forms remained to be keypunched on August 1, 1984. The Division currently has 7 FTE worth of keypunching resources which can only be expected to complete 221,340 forms by January 1, 1986. Therefore, 6.5 FTE are

PROPERTY VALUATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	441.40	440.40	476.07	442.90

requested for fiscal year 1986 to accommodate 13 data entry operators for the six month period from July 1, 1985 until January 1, 1986 to assure timely processing of appraisal forms for reappraisal completion. General Fund

Cost: FY 1986 - $ 88,526 FY 1987 - $ 0

New Service
Airline Litigation - In the 1985 Biennium the Property Assessment Division was appropriated $265,000 specifically for costs arising from defense of railroad and airline litigation under federal nondiscriminatory taxation acts such as the Tax Equity and Fiscal Responsibility Act and the Railroad Revitalization and Regulatory Reform Act. The airlines remain involved in litigation and currently there are 45 lawsuits not expected to go to trial until FY86.

On the assumption that there will be legislation introduced to restructure the classification system to eliminate lawsuits in these areas after January 1, 1986, we are requesting an appropriation for the 1987 Biennium to defend state and county interests in the airline litigation filed under the present classification system. General Fund

Cost: FY 1986 - $120,000

MISCELLANEOUS TAXES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.32	18.65	21.32	21.32
Personal Services	391,937.98	390,141	490,244	491,193
Operating Expenses	89,195.85	80,022	112,967	136,937
Equipment	9,396.01	5,163	21,358	610
Total Program Costs	$490,529.84	$475,326	$624,569	$628,740
General Fund	426,622.84	409,013	499,591	461,957
State Special Revenue Fund	63,907.00	66,313	124,978	166,783
Total Funding Costs	$490,529.84	$475,326	$624,569	$628,740
Current Level Services	490,529.84	475,326	540,792	526,457
Modified Level Services	0.00	0	83,777	102,283
Total Service Costs	$490,529.84	$475,326	$624,569	$628,740

Program Description

The Miscellaneous Tax Division staff are responsible for the administration of twenty separate areas of tax law including the state inheritance tax (Title 72, chapter 16, MCA), tobacco taxes (Title 16, chapters 10 and 11, MCA), and contractor's gross receipts tax (Title 15, chapter 50, MCA). They are also responsible for escheated estates (Title 72, chapter 14, MCA) and abandoned property (Title 70, chapter 9, MCA).

Budget Issues

The FTE count reflects .67 FTE transferred in FY84 to this program from the Research and Information Division for data processing assistance.

Expenditures for the program are budgeted at current level with a slight increase in out-of-state travel. An increase of $2700 per year will allow increased out-of-state audits on telephone companies, freight companies, and unclaimed property.

Modification Requests

Workload Increase
Unclaimed Property Audit (2.00 FTE). The unclaimed property audit program was initiated during fiscal year 1984. Since that time the audit program has evidenced marked increases in both administrative and professional expertise. The Division is currently borrowing from other audit resources in order to conduct unclaimed property audits. With current staff the Division will be unable to complete unclaimed property examinations of financial institutions and other holders within a five year interval.

The request is for a minimum audit capability consisting of a team of two auditors, one being a lead auditor or program manager and the other being a junior auditor. The lead auditor, in addition to audit duties, will monitor and supervise the pre-

MISCELLANEOUS TAXES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.32	18.65	21.32	21.32

examination investigations, manage the examinations and perform detailed review of the voluminous audit workpapers. It is estimated that this team will generate an additional $225,000 in revenue each fiscal year. Earmarked Revenue Funds

Cost: FY 1986 - $ 60,478 FY 1987 - $ 58,478

New Services
Automate two manual systems. The first system will automate the contractor gross receipts tax during FY86. This will provide for the timely recording and allocation of receipts and provide an effective compliance tool for insuring that all contractors accomplish withholding tax requirements. This will also allow the Division to respond to requests by contractors on a timely basis for information concerning their individual contracts and amounts of tax paid or credited. This last capability is very important during tax filing times because the total amounts of credits must be determined before corporation license tax or individual income tax returns can be filed.

During FY87 the Unclaimed Property reports will be automated. This system is necessary if the current one employee in the Section is to handle the expanded number of reports being filed and the cumulative number of accounts that must be maintained. The number of names added each year is approximately 1,800. The Division now has approximately 40,000 names that must be maintained. This system will greatly speed up the process of locating original owners, shorten the time lag of issuing refunds to individual claimants and allow the Division to respond in a timely manner to requests by possible owners of Unclaimed Property. General Fund/Earmarked Revenue.

Cost: FY 1986 - $ 23,299 FY 1987 - $ 43,805

MOTOR FUEL TAX BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	27.92	29.00	29.67	29.67
Personal Services	504,698.75	543,255	587,632	588,677
Operating Expenses	100,264.09	111,833	159,167	140,409
Equipment	5,316.45-	0	10,100	9,586
Total Program Costs	$599,646.39	$655,088	$756,899	$738,672
State Special Revenue Fund	599,646.39	655,088	756,899	738,672
Total Funding Costs	$599,646.39	$655,088	$756,899	$738,672
Current Level Services	599,646.39	655,088	702,499	708,672
Modified Level Services	0.00	0	54,400	30,000
Total Service Costs	$599,646.39	$655,088	$756,899	$738,672

Program Description

The Motor Fuel Tax Division staff administer the law imposing taxes on gasoline, diesel fuel, gasohol, and aviation fuel (Title 15, chapter 70, MCA).

Budget Issues

The FTE count reflects .67 FTE transferred in FY84 to this program from the Research and Information Division for data processing assistance.

The proposed budget allows this program to maintain its current level of operation.

Modification Request

New Services
Automate collection of fuel taxes. The special fuels tax collection section currently utilizes a manual system for the accounting of the collection of fuel taxes. Both the Governor's Council on Management and Legislative Audit Reports have recommended the system be automated to have more control over collections and accounts receivables.

Due to the deregulation of the trucking industry the number of taxpayers has increased to the point the system has become unworkable or has been overwhelmed. The workload has increased to the point the Department can no longer adequately guarantee the proper amount of tax owed is being collected. Also, too great a percentage of staff time is being spent on processing returns instead of tax compliance, collections, and service to taxpayers.

The estimated costs are for developing and operating an automated system that would be data based. Earmarked Revenue

Cost: FY 1986 - $ 54,400 FY 1987 - $ 30,000

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	407.84	410.84	426.34	431.09
Personal Services	9,451,954.32	9,864,710	10,512,827	10,598,099
Operating Expenses	14,299,275.27	14,681,179	19,390,817	20,576,329
Equipment	92,834.34	1,106,897	2,270,553	1,857,410
Capital Outlay	42,519.65	0	0	0
Local Assistance	553,643.87	0	0	0
Benefits and Claims	14,081,940.21	0	0	0
Transfers	14,509,274.63	12,417,867	12,703,498	12,763,323
Debt Service	993,561.94	0	1,789,736	1,797,236
Total Agency Costs	$54,025,004.23	$38,070,653	$46,667,431	$47,592,397
General Fund	15,870,319.01	16,563,541	16,088,860	16,091,659
State Special Revenue Fund	1,596,747.99	1,655,058	1,981,923	1,793,182
Debt Service Fund	0.00	19,132	51,157	38,945
Capital Projects Fund	749,733.75	50,000	564,125	559,261
Proprietary Fund	35,808,203.48	19,782,922	27,981,366	29,109,350
Total Funding Costs	$54,025,004.23	$38,070,653	$46,667,431	$47,592,397
Current Level Services	54,025,004.23	38,070,653	41,359,876	41,837,316
Modified Level Services	0.00	0	5,307,555	5,755,081
Total Service Costs	$54,025,004.23	$38,070,653	$46,667,431	$47,592,397

Agency Description

The Department of Administration was established under the Executive Reorganization Act of 1971 (section 2-15-1001, MCA). The department's major responsibilities include providing centralized services for state agencies in the following areas: accounting, financial reporting, insurance; capitol complex building maintenance; capitol security; state bonded indebtedness administration, state treasury services, insurance coverage - Tort Claims Act administration, systems development, telecommunications; data processing; personnel management and labor relations; purchasing; duplicating, mail and messenger services; and records management. The department also administers the state Long Range Building Program, state employee group benefits program, and the various state retirement systems. Building codes regulation is also a function of the department.

In addition, the Board of Examiners, State Tax Appeal Board, Workers' Compensation Judge, Board of Investments, Public Employees' Retirement Board, and Teachers' Retirement Board are attached to the department for administrative purposes only.

CENTRAL ADMINISTRATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.00	8.00	8.00	8.00
Personal Services	257,617.22	256,531	263,307	264,715
Operating Expenses	48,109.50	23,021	25,399	26,810
Transfers	11,315,858.88	12,309,413	12,069,955	12,130,604
Total Program Costs	$11,621,585.60	$12,588,965	$12,358,661	$12,422,129
General Fund	11,585,885.16	12,588,965	12,317,073	12,380,618
State Special Revenue Fund	35,700.44	0	0	0
Proprietary Fund	0.00	0	41,588	41,511
Total Funding Costs	$11,621,585.60	$12,588,965	$12,358,661	$12,422,129
Current Level Services	11,621,585.60	12,588,965	12,324,009	12,387,557
Modified Level Services	0.00	0	34,652	34,572
Total Service Costs	$11,621,585.60	$12,588,965	$12,358,661	$12,422,129

Program Description

The staff of the Central Administration Program are currently responsible for overall supervision and coordination of the department's eleven divisions and the four administratively attached boards and agencies. The staff also provide legal services, internal management reviews, and assistance in special projects to the divisions and bonding expertise for the Board of Examiners.

Budget Issues

Operating expenses in the proposed budget are less due to audit fees, previously budgeted in this program, being budgeted for in the Centralized Services Program.

Personal Services decrease due to one FTE, a management analyst, being eliminated.

Transfers showing in the budget are for (1) principal, interest and issuance costs for debt service (2) interest and issuance costs for Tax Anticipation Notes.

Modification Requests

Workload Increases
In FY84 the Capital Finance Advisory Council was created by Executive Order. The Council is to develop a state debt management plan and to coordinate scheduling the issuance of obligations. The request is for per diem and travel funds for two legislators on the Council.

Cost: FY 1986 - $ 2,096 FY 1987 - $ 2,096

Funding - 100% General Fund.

One attorney is requested due to expanding need for legal assistance in the

CENTRAL ADMINISTRATION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.00	8.00	8.00	8.00

department. Currently there is only one attorney to handle the department's legal needs. This position will be assisting P.E.R.D., T.R.S. and the A/E Division. These divisions are budgeted for the costs of this position.

Cost: FY 1986 - $ 32,556 FY 1987 - $ 32,476

Funding - 100% Proprietary

GOVERNOR ELECT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	0.00	30,000	0	0
Total Program Costs	$0.00	$30,000	$0	$0
General Fund	0.00	30,000	0	0
Total Funding Costs	$0.00	$30,000	$0	$0
Current Level Services	0.00	30,000	0	0
Total Service Costs	$0.00	$30,000	$0	$0

Budget Issues

2-15-221(5) allows a budget for a governor elect.

ACCOUNTING PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	12.50	12.50	12.00	12.00
Personal Services	288,561.14	314,674	305,801	306,223
Operating Expenses	549,815.71	600,906	525,733	517,379
Equipment	890.00	0	0	0
Total Program Costs	$839,266.85	$915,580	$831,534	$823,602
General Fund	839,266.85	915,580	831,534	823,602
Total Funding Costs	$839,266.85	$915,580	$831,534	$823,602
Current Level Services	839,266.85	915,580	831,534	823,602
Total Service Costs	$839,266.85	$915,580	$831,534	$823,602

Program Description

The Accounting Division staff operate and maintain the Statewide Budgeting and Accounting System. This system is used by all state agencies (including the University System and Vo-Techs) to satisfy their accounting needs while at the same time allowing control of appropriation authority and cash balances in accordance with legal mandates (section 17-1-102, MCA). The staff provide technical assistance to user agencies and generate daily and monthly financial reports for their use. They are actively involved in setting statewide accounting policy in accordance with Generally Accepted Accounting Principles and prepare the State's Annual Financial Report in accordance with these standards.

Budget Issues

Decreases in the proposed budget are due to (1) a .5 FTE being eliminated (2) SBAS costs for the University System were transferred from this budget to the Office of Commissioner of Higher Education for distribution.

ARCH & ENGINEERING PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.50	14.50	15.50	15.50
Personal Services	383,937.50	404,496	426,212	427,075
Operating Expenses	71,161.39	72,839	83,168	77,158
Equipment	5,640.67	1,279	4,745	5,028
Transfers	699,737.75	0	514,125	509,261
Total Program Costs	$1,160,477.31	$478,614	$1,028,250	$1,018,522
State Special Revenue Fund	460,739.56	478,614	514,125	509,261
Capital Projects Fund	699,737.75	0	514,125	509,261
Total Funding Costs	$1,160,477.31	$478,614	$1,028,250	$1,018,522
Current Level Services	1,160,477.31	478,614	995,506	986,742
Modified Level Services	0.00	0	32,744	31,780
Total Service Costs	$1,160,477.31	$478,614	$1,028,250	$1,018,522

Program Description

As authorized in Title 18, chapters 1 and 2, MCA, the function of the Architecture and Engineering Division is to provide functional and aesthetically-planned buildings and grounds that satisfy the needs of state government at an affordable cost.

The division staff advise the Board of Examiners and are responsible for contract administration, bid letting, and supervision of architects and consulting engineers during construction of buildings for the state. The Long Range Building Program is prepared by this division.

Budget Issues

Modification Requests

Workload Increase
One secretarial position is requested to assist in the clerical work that has increased due to the size of the building program and repair and maintenance projects the division is responsible for.

Cost: FY 1986 - $ 32,744 FY 1987 - $ 31,780

Funding - 100% State Special Revenue Fund.

"PUBLICATIONS AND GRAPHICS" BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	26.00	30.75	27.00	31.75
Personal Services	540,873.45	618,138	569,039	635,947
Operating Expenses	893,259.78	1,130,554	3,013,011	3,113,736
Equipment	0.25-	223,989	313,973	296,733
Total Program Costs	$1,434,132.98	$1,972,681	$3,896,023	$4,046,416
Proprietary Fund	1,434,132.98	1,972,681	3,896,023	4,046,416
Total Funding Costs	$1,434,132.98	$1,972,681	$3,896,023	$4,046,416
Current Level Services	1,434,132.98	1,972,681	1,726,037	1,891,419
Modified Level Services	0.00	0	2,169,986	2,154,997
Total Service Costs	$1,434,132.98	$1,972,681	$3,896,023	$4,046,416

Program Description

The staff of the Publications and Graphics Division offer services in printing, duplicating, computerized typography, layout and design, graphic and illustrative art, forms design, photo-reprographics, binding and quick copy. They are responsible for all printing and printing-related purchasing for state government and offer printing coordination and specification writing to user agencies (section 18-7-101, MCA). The staff also operate the state's photocopier pool (section 2-17-301, MCA).

Budget Issues

One FTE, a commercial artist, was deleted in the current level budget due to one cost center not breaking even.

Modification Requests

Workload Increase

One FTE and operating expenses are requested to operate the quick copy center in the new DNRC building.

Cost: FY 1986 - $ 57,206 FY 1987 - $ 57,211

Funding - 100% Proprietary Funds.

New Services

One FTE and operating expenses are requested so all printing not done by the division is channeled through the division. This will assist state agencies and also create one source contact for private printers. An estimated two million dollars of work is expected to pass through the division to private printers.

Cost: FY 1986 - $2,097,780 FY 1987 - $2,097,786

Funding - 100% Proprietary Funds.

"PUBLICATIONS AND GRAPHICS" BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	26.00	30.75	27.00	31.75

New Services
A personal computer and software is requested to assist in billing procedures and estimating costs of printing requests.

Cost: FY 1986 - $ 15,000

Funding - 100% Proprietary Funds.

INFORMATION SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	136.84	137.84	143.84	143.84
Personal Services	3,190,181.59	3,374,471	3,619,933	3,625,613
Operating Expenses	6,832,945.93	6,287,467	8,262,188	8,706,026
Equipment	39,669.41	874,929	1,690,729	1,469,551
Capital Outlay	1,990.02	0	0	0
Debt Service	993,561.94	0	1,789,736	1,797,236
Total Program Costs	$11,058,348.89	$10,536,867	$15,362,586	$15,598,426
General Fund	0.00	0	44,193	44,210
Proprietary Fund	11,058,348.89	10,536,867	15,318,393	15,554,216
Total Funding Costs	$11,058,348.89	$10,536,867	$15,362,586	$15,598,426
Current Level Services	11,058,348.89	10,536,867	13,013,240	12,916,663
Modified Level Services	0.00	0	2,349,346	2,681,763
Total Service Costs	$11,058,348.89	$10,536,867	$15,362,586	$15,598,426

Program Description

The staff of the Information Services Division provide the following services to all state agencies: computer processing; voice and data communications; development, maintenance and application of systems; data management services; office system consulting and support; data processing training; statewide data processing control and coordination; data management services; microfilming, computer output microfilm and record storage services (sections 2-17-301, 2-17-302, and 2-17-501, MCA).

The Computer Services Division and Communications Division were reorganized in 1984 to form the Information Services Division to facilitate the sharing of technologies, personnel and equipment.

Budget Issues

One FTE under the current level budget is transferred to the Personnel Division. The proposed budget reflects a continued growth for the division as well as higher inflation rates for items such as software. The budget for lease participation notes are to pay for principal, interest and related issuance costs. The notes are for the new communication systems installed at Montana State University, University of Montana, Eastern, and the capitol complex.

Modification Request

Workload Increase
Two general fund FTE are requested for improved records management capabilities. This will provide assistance to agencies in proper records management and reduce the loss of historical records.

Cost: FY 1986 - $ 44,193 FY 1987 - $ 44,210

INFORMATION SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	136.84	137.84	143.84	143.84

Funding - 100% General Fund

Workload Increase
One FTE and spending authority for equipment and software is requested. The workload of the division has been expanding at a rate of 15-20% annually. To absorb this growth the additional equipment and software is necessary.

Cost: FY 1986 - $ 681,756 FY 1987 - $ 963,571
Funding - 100% Proprietary Fund

Workload Increase
Spending authority to contract for programming and systems services is requested. This is for services that are of short duration and require immediate attention. This request is in lieu of requesting additional FTE.

Cost: FY 1986 - $ 103,834 FY 1987 - $ 109,025
Funding - 100% Proprietary Fund

Workload Increase
Four FTE are requested to assist the Telecommunications Bureau in the role of controlling and planning the state's communication network. The positions are one network engineer, one utilities analyst, one telecommunications analyst, and one administrative secretary. Spending authority is also requested so the bureau can make communication payments to Mountain Bell and AT&T. Without this authority payments are made by agencies throughout the state. With this authority the bureau will consolidate the payments, allowing for better control and better record keeping.

Cost: FY 1986 - $1,519,563 FY 1987 - $1,564,957

GENERAL SERVICES PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	49.25	49.25	49.75	50.25
Personal Services	941,757.49	975,242	1,009,493	1,023,654
Operating Expenses	1,696,528.67	2,112,354	1,963,785	2,095,480
Equipment	16,405.81	1,500	10,200	3,200
Capital Outlay	39,963.00	0	0	0
Transfers	125,540.00	108,454	119,418	123,458
Total Program Costs	$2,820,194.97	$3,197,550	$3,102,896	$3,245,792
General Fund	617,057.79	672,107	648,303	636,199
Capital Projects Fund	49,996.00	50,000	50,000	50,000
Proprietary Fund	2,153,141.18	2,475,443	2,404,593	2,559,593
Total Funding Costs	$2,820,194.97	$3,197,550	$3,102,896	$3,245,792
Current Level Services	2,820,194.97	3,197,550	2,952,972	2,973,379
Modified Level Services	0.00	0	149,924	272,413
Total Service Costs	$2,820,194.97	$3,197,550	$3,102,896	$3,245,792

Program Description

The General Services Division staff provide the following services in the capitol complex: repair, maintenance, security and custodial. They also manage contracts providing additional services for the complex, including mechanical maintenance, pest control, elevator repair, and garbage collection (section 2-17-111, MCA).

Budget Issues

The rates charged by the division to agencies in the capitol complex are:

	FY86	FY87
Office Rate	$2.97 per sq. ft.	$3.00 per sq. ft.
Warehouse Rate	$1.42 per sq. ft.	$1.43 per sq. ft.
Pass Through Rate	$1.90 per sq. ft.	$1.91 per sq. ft.

These rates were applied to all but the legislative agencies proposed budgets.

Modification Request

Workload Increases
A .5 FTE in FY86 and one FTE in FY87 along with operating expenses are requested to maintain two new buildings. The DNRC building and the addition to the museum come on line in the fall and the spring of FY86 respectively. The costs of these buildings were calculated in the square footage rate charged to agencies.

Cost: FY 1986 - $149,924 FY 1987 - $272,413

Funding - 100% Proprietary funds.

CENTRAL STORES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	13.00	12.00	18.00	18.00
Personal Services	255,309.39	241,904	369,235	370,098
Operating Expenses	1,534,258.80	1,950,771	2,461,799	2,837,696
Equipment	14,745.30-	0	50,000	60,000
Total Program Costs	$1,774,822.89	$2,192,675	$2,881,034	$3,267,794
Proprietary Fund	1,774,822.89	2,192,675	2,881,034	3,267,794
Total Funding Costs	$1,774,822.89	$2,192,675	$2,881,034	$3,267,794
Current Level Services	1,774,822.89	2,192,675	2,787,935	3,174,659
Modified Level Services	0.00	0	93,099	93,135
Total Service Costs	$1,774,822.89	$2,192,675	$2,881,034	$3,267,794

Program Description

The function of the Property and Supply Program is to provide centralized storage, purchasing, and distribution of office supplies, fine paper, coarse paper, agency forms, janitorial supplies and products and computer paper to all state agencies. This program also includes the State Surplus Property Program, which distrubutes state and federal surplus property to eligible non-profit organizations.

Budget Issues

Due to increased usage by agencies the proposed budget reflects additional authority to accommodate the expected growth in the upcoming biennium. Janitorial supplies and coarse paper have been added to the inventory to assist agencies and reduce costs through bulk commodity purchases. Central Stores is administered by the Purchasing Division and one half of the division's administrator's salary is reflected in this budget. This .5 FTE in addition to the FTE requested in the modified budgets below bring the total FTE requested to 18. The equipment requested is for two trucks and one fork lift.

Modification Request

Workload Increase
5.5 FTE are requested to support Central Stores and Surplus Property due to the increased growth shown in the past few years.

Cost: FY 1986 - $ 93,099 FY 1987 - $ 93,135

Funding - 100% Proprietary Funds.

PURCHASING PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	17.00	17.00	16.50	16.50
Personal Services	394,321.59	380,052	387,746	388,485
Operating Expenses	134,694.41	138,806	123,005	123,171
Equipment	413.14	0	850	850
Total Program Costs	$529,429.14	$518,858	$511,601	$512,506
General Fund	529,429.14	518,858	511,601	512,506
Total Funding Costs	$529,429.14	$518,858	$511,601	$512,506
Current Level Services	529,429.14	518,858	511,601	512,506
Total Service Costs	$529,429.14	$518,858	$511,601	$512,506

Program Description

The function of the Purchasing Division is to procure or supervise the procurement of all supplies and services needed for the Legislature, the Supreme Court and each state agency, institution and official, as required by Title 18, Chapter 4, MCA.

Budget Issues

One-half of the administrator's position was transferred to Central Stores. System development costs were reduced awaiting a decision by the department on needs for the automated purchasing system. A decision is to be made by the department prior to the session.

BUILDING STANDARDS PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	27.00	27.00	28.50	28.00
Personal Services	668,089.63	694,345	749,871	738,189
Operating Expenses	142,226.72	183,956	215,049	214,083
Equipment	1,248.23	0	159,256	0
Total Program Costs	$811,564.58	$878,301	$1,124,176	$952,272
State Special Revenue Fund	811,564.58	878,301	1,124,176	952,272
Total Funding Costs	$811,564.58	$878,301	$1,124,176	$952,272
Current Level Services	811,564.58	878,301	1,011,594	865,248
Modified Level Services	0.00	0	112,582	87,024
Total Service Costs	$811,564.58	$878,301	$1,124,176	$952,272

Program Description

The Building Codes Division staff establish and enforce minimum standards to safeguard the public in design and construction of buildings, recreational vehicles, and factory built buildings, and address energy conservation in building design according to the authority assigned in Title 50, chapter 60, MCA.

Budget Issues

Modification Requests

Workload Increase
Legal assistance is requested for enforcement of the State's Building Codes. For FY86 the request is for 1.5 FTE and in FY87 this is reduced to one FTE. The positions will be attorneys.

Cost: FY 1986 - $ 50,960 FY 1987 - $ 35,024

Funding - 100% State Special Revenue Fund.

Workload Increase
This request will complete the automation the division started two years ago. The project will make for better efficiency in scheduling and assisting the public.

Cost: FY 1986 - $ 61,622 FY 1987 - $ 52,000

Funding - 100% State Special Revenue Fund

MAIL & DISTRIBUTION BUREAU BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.25	8.50	9.25	9.25
Personal Services	152,706.11	138,594	156,824	157,557
Operating Expenses	633,931.72	735,513	813,928	921,469
Equipment	656.00-	5,200	7,122	8,875
Total Program Costs	$785,981.83	$879,307	$977,874	$1,087,901
Proprietary Fund	785,981.83	879,307	977,874	1,087,901
Total Funding Costs	$785,981.83	$879,307	$977,874	$1,087,901
Current Level Services	785,981.83	879,307	977,874	1,087,901
Total Service Costs	$785,981.83	$879,307	$977,874	$1,087,901

Program Description

The Central Mail Bureau staff provide mail service (U.S. Mail, Deadhead, UPS and Capitol Post Office) in the capitol complex (section 2-17-301, MCA). Users are billed for this service.

Budget Issues

A .75 FTE was transferred from the Public Employees Retirement Division to assist in the workload increase experienced over the last two years.

TREASURY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.00	15.00	15.00	15.00
Personal Services	362,300.81	360,437	372,373	372,993
Operating Expenses	46,697.36	67,961	89,180	51,921
Equipment	2,267.97	0	2,823	123
Total Program Costs	$411,266.14	$428,398	$464,376	$425,037
General Fund	411,266.14	402,931	436,316	396,854
Proprietary Fund	0.00	25,467	28,060	28,183
Total Funding Costs	$411,266.14	$428,398	$464,376	$425,037
Current Level Services	411,266.14	428,398	464,376	425,037
Total Service Costs	$411,266.14	$428,398	$464,376	$425,037

Program Description

The staff of the Centralized Services Division perform two major functions.

As Treasury for the state of Montana, the division staff receive and account for all money deposited by state agencies and redeem all state warrants presented for payment. The Treasury also is the custodian for securities and certain deposits held in trust. Overall responsibility for the state's cash management program is vested in this division, together with collateral and bond redemption activities (section 17-1-111, MCA).

As a centralized service function, the division staff provide accounting and budgeting services for all divisions and programs of the Department of Administration. These services include preparation of the department's biennium budget, annual financial statements, cost studies of program efficiencies, and capital asset accounting. As an adjunct to basic financial services, the staff of this unit oversee the finances of the Disaster and Emergency funds and the general obligation bonding program, and supervise the department's personnel operation.

Budget Issues

The increase in operating expenses in FY86 is due to audit fees being budgeted in this division instead of the Central Administration Program. One FTE and operating expenses are funded from the Investment Division's proprietary fund instead of the general fund. The duties of this position are attributable to the investment function.

INVESTMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.00	19.00	20.00	20.00
Personal Services	483,946.94	523,015	571,144	572,651
Operating Expenses	208,041.94	185,122	199,501	200,479
Equipment	4,281.72	0	13,530	7,200
Total Program Costs	$696,270.60	$708,137	$784,175	$780,330
Proprietary Fund	696,270.60	708,137	784,175	780,330
Total Funding Costs	$696,270.60	$708,137	$784,175	$780,330
Current Level Services	696,270.60	708,137	757,369	754,274
Modified Level Services	0.00	0	26,806	26,056
Total Service Costs	$696,270.60	$708,137	$784,175	$780,330

Program Description

The Board of Investments has the sole authority to invest state funds. It directs the investment of state funds in accordance with the Montana Constitution (Article VII, Section 13) and laws of the state (section 17-6-201, MCA). The Investment staff initiates the investment process for board approval. The division's operations and the board's activities are funded by investment income.

Budget Issues

Modification Requests

New Services
One FTE is requested to perform the duties set out in HB371 of last session. This bill allowed a 10% investment in Montana related real estate.

Cost: FY 1986 - $ 26,806 FY 1987 - $ 26,056

Funding - 100% Proprietary Fund

EMERGENCY & DISASTER PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Personal Services	1,219.63	0	0	0
Operating Expenses	136.50	0	0	0
Local Assistance	553,643.87	0	0	0
Total Program Costs	$555,000.00	$0	$0	$0
General Fund	555,000.00	0	0	0
Total Funding Costs	$555,000.00	$0	$0	$0
Current Level Services	555,000.00	0	0	0
Total Service Costs	$555,000.00	$0	$0	$0

Program Description

10-3-311 and 10-3-312, M.C.A. allow for expenditures from the general fund for emergencies and declared disasters.

Budget Issues

In FY84 Beaverhead and Madison Counties were declared disaster areas due to extensive flooding. The above expenditures reflect the costs of these disasters.

SRS BLDG AMORT & MAJ MTN BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	0.00	19,132	51,157	38,945
Total Program Costs	$0.00	$19,132	$51,157	$38,945
Debt Service Fund	0.00	19,132	51,157	38,945
Total Funding Costs	$0.00	$19,132	$51,157	$38,945
Current Level Services	0.00	19,132	51,157	38,945
Total Service Costs	$0.00	$19,132	$51,157	$38,945

Program Description

The Social and Rehabilitation Service (SRS) Building Amortization and Major Maintenance Program was set up as an accounting entity to pay the monthly mortgage payment on the SRS building and to establish cash to make major maintenance repairs on the building.

SRS transfers funds to this program for two purposes. The first is to make payments to the Teachers' Retirement System (TRS) which financed the building. The second is to establish a reserve to be used for repair and maintenance of the building. If there are no expenditures from the renovations and repair account during a year, the funds accumulate. The monthly payments to TRS require no appropriation. The new fund structure does not require an appropriation for expenditures in this program.

Budget Issues

The S.R.S. building was financed by the Teacher's Retirement System. S.R.S. payments for rent include three categories: (1) payback to the Teacher's Retirement System; (2) operating expenses to General Services Division for utilities, mechanical contracts, etc.; and (3) major maintenance costs. Under the major maintenance category S.R.S. pay 40 cents per square foot to fund the costs.

PERSONNEL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	38.33	38.00	39.50	39.50
Personal Services	912,467.52	944,900	1,003,170	1,005,492
Operating Expenses	245,491.56	307,694	332,514	380,659
Equipment	15,555.57	0	1,225	2,750
Capital Outlay	566.63	0	0	0
Benefits and Claims	12,750,731.91	0	0	0
Total Program Costs	$13,924,813.19	$1,252,594	$1,336,909	$1,388,901
General Fund	972,073.70	1,023,505	987,158	1,005,857
State Special Revenue Fund	2,863.42	4,194	0	0
Proprietary Fund	12,949,876.07	224,895	349,751	383,044
Total Funding Costs	$13,924,813.19	$1,252,594	$1,336,909	$1,388,901
Current Level Services	13,924,813.19	1,252,594	1,261,725	1,278,842
Modified Level Services	0.00	0	75,184	110,059
Total Service Costs	$13,924,813.19	$1,252,594	$1,336,909	$1,388,901

Program Description

The staff of the state Personnel Division provide state agencies with a comprehensive program of personnel administration including position classification, position control, labor relations, employee relations, pay and benefit administration, training, employee incentive awards, and health promotion. They publish state rules and policies dealing with recruitment, selection, discipline, grievance, performance appraisal, leave, affirmative action and other personnel related matters and provide administrative assistance to the Governor's Committee on the Employment of the Handicapped.

Budget Issues

Within the current level one non-general fund FTE was transferred from Information Services Division, while 1.5 general fund FTE were deleted from the budget. The positions deleted were Personnel Specialists. The net of the transfer and deletions plus the modified requests bring the total FTE of the division to 39.50.

Modification Requests

New Services
Two FTE and operating expenses are requested for the training function performed by the division. The last legislative appropriated funds to establish a training program recommended by the Governor's Council on Management and the Labor Relations Study Commission.

Cost: FY 1986 - $ 75,184 FY 1987 - $116,059

Funding: FY 1986 $12,044 - General Fund FY 1986 $63,140 - Proprietary
FY 1987 $12,043 - General Fund FY 1987 $98,016 - Proprietary

STATE INSURANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.67	7.00	9.00	9.00
Personal Services	224,475.54	203,512	279,550	280,133
Operating Expenses	1,079,321.04	622,688	1,018,875	1,060,086
Equipment	8,736.16	0	1,450	1,450
Benefits and Claims	1,331,208.30	0	0	0
Transfers	2,368,138.00	0	0	0
Total Program Costs	$5,011,879.04	$826,200	$1,299,875	$1,341,669
General Fund	56,250.00	58,750	0	0
Proprietary Fund	4,955,629.04	767,450	1,299,875	1,341,669
Total Funding Costs	$5,011,879.04	$826,200	$1,299,875	$1,341,669
Current Level Services	5,011,879.04	826,200	1,036,643	1,078,387
Modified Level Services	0.00	0	263,232	263,282
Total Service Costs	$5,011,879.04	$826,200	$1,299,875	$1,341,669

Program Description

The Insurance and Legal Division administers a comprehensive and adequate plan of insurance and self-insurance for all state agencies (section 2-9-201, MCA). It also provides legal counsel for all state agencies in the investigation, settlement, or defense of tort claims.

Budget Issues

Modification Requests

Workload Increase
One secretary and one attorney are requested due to the increase in workload for the division.

Cost: FY 1986 - $ 63,232 FY 1987 - $ 63,282

Funding - 100% Proprietary Fund.

New Services
This request is for a new insurance policy that would cover the state in case claims paid in one year would exceed two million dollars. The policy would pay for claims over the 2 million dollar level up to 10 million.

Cost: FY 1986 - $200,000 FY 1987 - $200,000

Funding - 100% Proprietary

PASSENGER TRAMWAY SAFETY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	13,030.91	12,465	18,689	18,693
Total Program Costs	$13,030.91	$12,465	$18,689	$18,693
General Fund	13,030.91	12,465	18,689	0
Proprietary Fund	0.00	0	0	18,693
Total Funding Costs	$13,030.91	$12,465	$18,689	$18,693
Current Level Services	13,030.91	12,465	18,689	18,693
Total Service Costs	$13,030.91	$12,465	$18,689	$18,693

Program Description

The function of the Passenger Tramway Program is to regulate the design, construction, and operation of all passenger tramways within Montana to insure safety. Administrative details of this program are handled by the Architecture and Engineering Division. The statutes establishing this program are sections 23-2-701 through 23-2-734, MCA.

Budget Issues

Contracted services were increased to assure adequate funds for contracting for engineering services needed for the operation of the program. In FY84 additional funds had to be transferred into this budget due to increased expenditures because of several investigations of tramway accidents. In FY87 we propose budgeting this cost through a proprietary account.

WORKERS COMPENSATION JUDGE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.00	9.00	9.00	9.00
Personal Services	201,711.65	234,286	233,130	233,212
Operating Expenses	72,938.93	59,663	98,842	96,787
Equipment	11,229.41	0	11,650	1,650
Total Program Costs	$285,879.99	$293,949	$343,622	$331,649
State Special Revenue Fund	285,879.99	293,949	343,622	331,649
Total Funding Costs	$285,879.99	$293,949	$343,622	$331,649
Current Level Services	285,879.99	293,949	343,622	331,649
Total Service Costs	$285,879.99	$293,949	$343,622	$331,649

Program Description

The Worker's Compensation Court Program adjudicates disputes between claimants and insurers involved in workers' compensation cases in accordance with Title 39, chapter 71, part 29, MCA.

Budget Issues

The operating budget increase is for additional travel. The additional travel will allow the court to reduce the time a claimant has to wait for a trial.

STATE TAX APPEAL BOARD BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.50	5.50	5.50	5.50
Personal Services	192,477.12	200,113	195,999	196,062
Operating Expenses	96,684.40	140,267	94,994	95,751
Equipment	1,897.80	0	3,000	0
Total Program Costs	$291,059.32	$340,380	$293,993	$291,813
General Fund	291,059.32	340,380	293,993	291,813
Total Funding Costs	$291,059.32	$340,380	$293,993	$291,813
Current Level Services	291,059.32	340,380	293,993	291,813
Total Service Costs	$291,059.32	$340,380	$293,993	$291,813

Program Description

The State Tax Appeal Board was established by Article XIII, Section 7 of the Montana Constitution and 15-2-101 of the MCA to provide a tax appeal system for all actions of the Department of Revenue. It hears appeals from decisions of the 56 county tax appeal boards and takes original jurisdiction in matters involving liquor licenses (Section 16-4-411, MCA); income taxes (Section 15-30-147, MCA); corporate taxes (Section 15-31-532, MCA); and severance taxes, centrally assessed property, and new industry (Section 15-2-302, MCA). The board travels throughout the state to hear appeals.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	21.50	22.25	21.50	21.50
Total Agency Costs	$0.00	$0	$0	$0
Total Funding Costs	$0.00	$0	$0	$0
Total Service Costs	$0.00	$0	$0	$0

Agency Description

The Public Employees Retirement Division provides retirement, disability, refund and death benefits to the members and their benficiaries of the Game Wardens, Highway Patrol, Judges', Public Employees. Sheriffs', Statewide Police, Unified Firefighters' and Volunteer Firefighters' of unincorporated areas Retirement systems. Social security contributions from the state and various local government entities are also collected and disbursed. The division is regulated by Title 19, Chapter 1, 3, 5, 6, 7, 8, 9, 12 and 13 MCA, and Title II Section 218, of the Social Security Act.

This new fund structure does not require an appropriation for expenditures in this program.

Budget Issues

Funding for this program is provided through a pension trust fund. Due to the funding source and the board's authority under 19-3-304(3) and 19-3-601 MCA, an appropriation is not required. In addition, 19-3-305 MCA, the board must retain an actuary who must make an acturarial investigation and report to the board once every two years. The Legislative Auditor also audits the agency once every two years.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	10.58	10.58	10.58	10.58
Total Agency Costs	$0.00	$0	$0	$0
Total Funding Costs	$0.00	$0	$0	$0
Total Service Costs	$0.00	$0	$0	$0

Agency Description

The function of the Teachers Retirement Board is to provide retirement, disability, and survivor benefits for the state's teachers. The program is regulated by Title 19, chapter 4, MCA.

The new fund structure does not require an appropriation for expenditures in this program.

Budget Issues

Funding for this program is provided through a pension trust fund. Due to the funding source and the board's authority under 19-4-501(3) and 19-4-606 MCA, an appropriation is not required. In addition 19-4-201(4) MCA, requires a biennial report that is to be submitted to the Governor and copies furnished to the legislature. At least once every five years an acturarial investigation is required under 19-4-203(5) MCA. The Legislative Auditor also audits the agency once in a 2 year period.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Personal Services	5,186.81	0	0	0
Operating Expenses	98,814.77	0	0	0
Capital Outlay	24,245,177.06	0	0	0
Transfers	4,500,000.00	0	0	0
Total Agency Costs	$28,849,178.64	$0	$0	$0
State Special Revenue Fund	1,085,868.57	0	0	0
Federal & Other Spec Rev Fund	83,920.62	0	0	0
Capital Projects Fund	27,679,389.45	0	0	0
Total Funding Costs	$28,849,178.64	$0	$0	$0
Current Level Services	28,052,818.24	0	0	0
Modified Level Services	796,360.40	0	0	0
Total Service Costs	$28,849,178.64	$0	$0	$0

Agency Description

In 1965, the Legislature implemented the Long Range Building Program. The program is delineated in sections 17-7-202 and 18-2-101 through 18-2-105, MCA.

Budget Issues

Recommendations for the FY86 and FY87 Long Range Building Program will be presented by the Department of Administration under separate cover.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	97.77	95.74	91.24	91.24
Personal Services	1,873,376.02	2,059,853	2,059,975	2,063,136
Operating Expenses	648,320.31	752,251	865,925	858,842
Equipment	107,797.15	15,645	168,488	122,862
Capital Outlay	0.00	0	100,000	0
Grants	927,391.53	639,000	1,019,000	1,019,000
Transfers	0.00	8,286	1,097	1,097
Total Agency Costs	$3,556,885.01	$3,475,035	$4,214,485	$4,064,937
General Fund	1,514,199.14	1,589,378	1,723,172	1,600,182
State Special Revenue Fund	467,604.48	674,763	569,784	548,976
Federal & Other Spec Rev Fund	1,494,692.14	1,050,603	1,686,112	1,680,484
Proprietary Fund	80,389.25	143,009	209,667	209,727
Expendable Trust Fund	0.00	17,282	25,750	25,568
Total Funding Costs	$3,556,885.01	$3,475,035	$4,214,485	$4,064,937
Current Level Services	3,493,564.31	3,475,035	4,018,981	3,853,739
Modified Level Services	63,320.70	0	195,504	211,198
Total Service Costs	$3,556,885.01	$3,475,035	$4,214,485	$4,064,937

Agency Description

The Department of Agriculture was established by Article XII, Section I of the Montana Constitution. It is designed to encourage and promote the interests of all agricultural and allied industries in Montana; collect and publish statistics relating to the production and marketing of agricultural products; assist, encourage and promote the organization of farmers; gather and distribute marketing information; and administer regulations pertaining to production and marketing of food and fiber products (section 8-1-102, MCA).

Policy Issues

Budget Issues

The department request for additional current level data processing expansion is included with increases to be funded with federal funds.

The rural development and hail insurance programs are not included as these funds do not require appropriation by the Legislature. The programs are funded from expendable trust funds.

The request assumes the Environmental Protection Agency (EPA) funds maintain current level programs.

The request reflects a Departmental reorganization. A new division, Agricultural Development Division, is composed of 9.00 FTE and the following activities:

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	97.77	95.74	91.24	91.24

Beginning Farm Loan,

Crop and Livestock Reporting Services,

Marketing Bureau,

Rural Development Bureau, and

Montana Alfalfa Seed Committee.

The following FTE transfers have also taken place:

1.25 FTE from Environmental Management to Central Services.

1.25 FTE from Plant Industry to Central Services.

2.00 FTE from Central Service to Agricultural Development.

1.00 FTE from Environmental Management to Agricultural Development.

2.00 FTE in the Rural Development program do not reflect in the total FTE request as these FTE are funded by expendable trust funds but do not require appropriations.

Department rent is based on 16,691 sq. ft. and costs are 2.97 per sq. ft. in FY 1986 and 3.00 in FY 1987.

CENTRALIZED SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	11.00	10.50	12.00	12.00
Personal Services	236,017.88	298,744	318,339	319,016
Operating Expenses	50,966.33	82,553	83,415	62,995
Equipment	433.92	1,293	14,992	13,876
Grants	1,793.85	0	0	0
Transfers	0.00	8,286	0	0
Total Program Costs	$289,211.98	$390,876	$416,746	$395,887
General Fund	212,967.63	204,591	307,380	289,142
State Special Revenue Fund	24,710.26	32,345	18,527	19,487
Federal & Other Spec Rev Fund	47,649.09	33,448	55,149	52,504
Proprietary Fund	3,885.00	103,210	9,940	9,186
Expendable Trust Fund	0.00	17,282	25,750	25,568
Total Funding Costs	$289,211.98	$390,876	$416,746	$395,887
Current Level Services	284,079.18	390,876	366,163	346,663
Modified Level Services	5,132.80	0	50,583	49,224
Total Service Costs	$289,211.98	$390,876	$416,746	$395,887

Program Description

The staff of the Centralized Services Division provide support to all other programs in the department including accounting, fiscal management, payroll, purchasing, property control, personnel and Equal Employment Opportunity administration.

Budget Issues

This program FTE level increases .50 FTE as all word processing functions are now centralized. Word processing maintenance contracts of $2,214/year are included as is $2,186 in FY 1986 and $2,286 in FY 1987 for maintenance contracts on data processing equipment.

Audit costs of $19,950 are included for the biennium.

Rent for this program is based on 5,042 sq. ft. at $2.97 per sq. ft. in FY 1986 and $3.00 per sq. ft in FY 1987.

Modification Requests

New Program
A weed control coordinator would work with county and state agencies and the public to coordinate statewide weed control efforts. 1.00 FTE. General funds required.

Cost: FY 1986 - $ 31,803 FY 1987 - $ 33,071

CENTRALIZED SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	11.00	10.50	12.00	12.00

New Program
The department data processing systems continue to expend to allow for timely response to licensing and training requirements. Federal and earmarked funds.

Cost: FY 1986 - $ 18,780 FY 1987 - $ 16,153

HAIL INSURANCE UNIT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	6.05	6.05	6.05	6.05
Total Program Costs	$0.00	$0	$0	$0
Total Funding Costs	$0.00	$0	$0	$0
Total Service Costs	$0.00	$0	$0	$0

Program Description

The Hail Insurance Unit, totally funded by participating farmers and ranchers, provides administration of Montana's hail insurance laws and offers grain growers insurance and protection against crop loss due to hail. As provided in SB 317, two percent of the gross annual levies collected from the participants goes to the counties and one and one-half percent to the state for administration. This unit is attached to the department for administrative purposes only. By statute, the director is a member and secretary of the Board of Hail Insurance.

Current state budget statutes do not require expendable trust funds to be appropriated. No budget recommendation is included in the Executive Budget.

Budget Issues

The hail insurance program is funded by an expendable trust fund. These funds do not require legislative appropriation. The program is shown for FTE purposes only.

WHEAT RESEARCH & MARK UNIT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	3.12	3.12	3.12	3.12
Personal Services	91,067.94	91,760	99,681	99,718
Operating Expenses	132,248.79	128,289	170,469	173,260
Equipment	12,682.30	0	250	0
Grants	925,597.68	639,000	1,019,000	1,019,000
Total Program Costs	$1,161,596.71	$859,049	$1,289,400	$1,291,978
Federal & Other Spec Rev Fund	1,161,596.71	859,049	1,289,400	1,291,978
Total Funding Costs	$1,161,596.71	$859,049	$1,289,400	$1,291,978
Current Level Services	1,161,596.71	859,049	1,289,400	1,291,978
Total Service Costs	$1,161,596.71	$859,049	$1,289,400	$1,291,978

Program Description

The Wheat Research and Marketing Unit, totally funded by participating grain producers, exists to encourage and promote both the development of markets for Montana wheat and barley and intensive scientific and practical research into all phases of wheat and barley culture, production and use. The Wheat Research and Marketing Unit is attached to the department for administrative purposes only. The director is an ex-officio member of the Wheat Research and Marketing Committee.

Budget Issues

The Wheat Research & Mark Unit program remains at current level.

ENVIRONMENTAL MANAGEMENT DIV BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	31.69	31.26	32.51	32.51
Personal Services	731,067.57	712,757	767,425	768,993
Operating Expenses	278,235.03	311,023	326,734	334,266
Equipment	78,639.42	0	120,986	69,280
Capital Outlay	0.00	0	100,000	0
Total Program Costs	$1,087,942.02	$1,023,780	$1,315,145	$1,172,539
General Fund	758,381.75	801,037	860,570	756,898
State Special Revenue Fund	103,199.46	104,572	174,373	141,572
Federal & Other Spec Rev Fund	226,360.81	118,171	280,202	274,069
Total Funding Costs	$1,087,942.02	$1,023,780	$1,315,145	$1,172,539
Current Level Services	1,051,664.67	1,023,780	1,215,177	1,048,700
Modified Level Services	36,277.35	0	99,968	123,839
Total Service Costs	$1,087,942.02	$1,023,780	$1,315,145	$1,172,539

Program Description

The Environmental Management Division staff are responsible for administering the Montana Pesticides Act, the Insect Surveillance and Detention Act, the Noxious Plant Management Assistance Act, and the department's Chemical Analytical Laboratory. They also provide protection, technical and consultant services to consumers and agricultural producers in the environmental and pest management program areas.

The staff of the Field Services Bureau, Technical Services Bureau and Laboratory Bureau are responsible for the enforcement, technical services and the analytical laboratory portions of the program, respectively.

The responsibilities of the Chemical Analytical Laboratory include analysis of feeds, fertilizers, pesticides and toxic substances for proper and correct ingredients in formulated products and analysis of residues in agricultural commodities and in environmental samples.

Budget Issues

The environmental management program remains at current level. The request includes $100,000 to remodel and repair the laboratory in Bozeman.

The request includes four vehicles in FY1986 and one vehicle in FY1987. One 4X4 vehicle in FY1986 is to be used in the field services program. All others are 2-wheel drive to replace those that will exceed 115,000 miles. All vehicles being replaced were purchased with federal funds.

Equipment costs includes

Laboratory - $48,900 in FY 1986 and $35,000 in FY 1987 to be purchased with feed

ENVIRONMENTAL MANAGEMENT DIV BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	31.69	31.26	32.51	32.51

and fertilizer funds. $33,960 in FY 1986 and $2,460 in FY 1987 to be purchased with general funds.

Field Services - $25,380 in FY 1986 and $12,820 in FY 1987 of general funds to purchase vehicles.

Technical Services - $10,460 in FY 1986 and $1200 in FY 1987 of general fund to purchase a vehicle in FY 1986 and office equipment in FY 1987.

Modification Request

Workload Increase
Increased numbers of lab test performed requires additional staff to perform sample custodial work and handle increased clerical work. Continues budget amended services. .50 FTE. Federal funds support the request.

Cost: FY 1986 - $ 8,316 FY 1987 - $ 8,320

New Program
Department will continue training programs to re-license and re-certify persons dealing in or applying pesticides. All costs will be funded with training fees collected per 80-8-109 MCA.

Cost: FY 1986 - $ 14,666 FY 1987 - $ 14,390

Workload Increase
Additional EPA samples submitted to the lab require 2.00 FTE and equipment to conduct sample analysis and write reports. Continues budget amended services. Federal funds are requested. 2.00 FTE.

Cost: FY 1986 - $ 76,986 FY 1987 - $100,589

PLANT INDUSTRY DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	36.91	38.56	28.89	28.89
Personal Services	676,427.87	857,204	671,515	672,213
Operating Expenses	144,435.75	192,515	157,612	159,314
Equipment	714.71	14,352	29,809	39,058
Transfers	0.00	0	1,097	1,097
Total Program Costs	$821,578.33	$1,064,071	$860,033	$871,682
General Fund	455,639.33	485,426	452,716	451,705
State Special Revenue Fund	332,094.14	537,846	339,830	350,284
Federal & Other Spec Rev Fund	10,910.55	1,000	23,466	23,478
Proprietary Fund	22,934.31	39,799	44,021	46,215
Total Funding Costs	$821,578.33	$1,064,071	$860,033	$871,682
Current Level Services	811,667.78	1,064,071	843,927	855,564
Modified Level Services	9,910.55	0	16,106	16,118
Total Service Costs	$821,578.33	$1,064,071	$860,033	$871,682

Program Description

The Plant Industry Division consists of three bureaus: Commodity Services, Grain Standards, and Specialized Services. The staff of these bureaus work cooperatively to provide professional services to agricultural industries. The staff provide administration and enforcement of regulatory laws controlling marketing, production, and manufacturing of agricultural commodities grown within the state. They also provide vegetable, fruit, and nursery stock inspection as a service to all Montana consumers.

Budget Issues

The grain laboratory is reduced 8.00 FTE due to loss of revenues caused by fewer grain samples tested. 1.00 FTE is moved to central services and 1.00 FTE is moved to agricultural development.

Six vehicles to replace those with 100,000 miles are requested.

Modification Request

New Program
Continues budget amended services to collect and analyze animal feeds to determine if organochloride pesticides or PCB's are entering the human food chain. Federal funds support the program. .33 FTE.

Cost: FY 1986 - $ 16,106 FY 1987 - $ 16,118

AGRICULTURAL DEVELOPMENT DIV BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	9.00	6.25	8.67	8.67
Personal Services	138,794.76	99,388	203,015	203,196
Operating Expenses	42,434.41	37,871	127,695	129,007
Equipment	15,326.80	0	2,451	648
Total Program Costs	$196,555.97	$137,259	$333,161	$332,851
General Fund	87,210.43	98,324	102,506	102,437
State Special Revenue Fund	7,600.62	0	37,054	37,633
Federal & Other Spec Rev Fund	48,174.98	38,935	37,895	38,455
Proprietary Fund	53,569.94	0	155,706	154,326
Total Funding Costs	$196,555.97	$137,259	$333,161	$332,851
Current Level Services	184,555.97	137,259	304,314	310,834
Modified Level Services	12,000.00	0	28,847	22,017
Total Service Costs	$196,555.97	$137,259	$333,161	$332,851

Program Description

The Agricultural Development Division is composed of the Rural Development Unit, Crop and Livestock Reporting Unit, Marketing and Transportation Unit and the Beginning Farmers Loan Program. These programs provide agricultural loans to low income rural Montanans, collect and publish statistics relating to the production and marketing of crops and livestock, assist producers and industries in finding means to market their products and provide beginning farmers loans.

Budget Issues

The budget request increases the beginning farm program authority to permit operation at current level. The rural development program is assigned to the agricultural development program but rural development funds do not require appropriation and are not reflected in the budget request. Therefore the FY 1986 and FY 1987 FTE request does not include 2.00 FTE assigned to the Rural development program.

Modification Request

New Program
The agricultural statistics bulletin is published every other year. The modification permits publication on an annual basis. Funding is from purchases by users of the bulletin.

Cost: FY 1986 - $6,320 FY 1987 - $ -0

Workload Increase
Increased loan activity and loan portfolio in the beginning farm program requires

AGRICULTURAL DEVELOPMENT DIV BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.00	6.25	8.67	8.67

1.00 FTE and operational costs. Increased bond activity requires additional evaluation time. Funding is obtained from a 2% bond origination fee. 1.00 FTE.

Cost: FY 1986 - $ 22,527 FY 1987 - $ 22,017

Special Narrative

The Department of Institutions consist of the Director's Office and four divisions in the Central Office plus the various institutions located throughout the State. The Director's program, the Management Services Division, the Alcohol and Drug Abuse Division, the Corrections Division and the Mental Health and Residential Services Division are all headquartered in Helena and are individually presented in this budget by fiscal roll-up and program narrative.

A problem arises in discussing the Corrections Division and the Mental Health and Residential Services Division. These are two large Divisions which consist of numerous agencies throughout the State. Administratively, a problem exists since these various institutions throughout the State are considered independent agencies but in reality they are agencies within one of these Divisions.

Also, there are administrative problems in managing the fiscal aspects of these two large Divisions. For instance, it is not possible for Division Administrators or the Director of the Department to utilize available funds within one agency to assist another agency which may have a problem or shortfall of funds, even though both agencies are within the same Division of the Department. In effect, this greatly reduces the flexibility of the Director and these two Division Administrators in managing their fiscal programs. The result is often managerial frustration and the inability to provide services in the most efficient manner.

For discussion purposes these two Division budgets are presented in this narrative showing their overall responsibility. Hopefully, this identifies the need for added flexibility in fiscal administration. Please note that in addition to this portion of the budget presentation each agency has a separate budget roll-up and program narrative.

The totals for the Corrections Division and the Mental Health and Residential Services Division are shown on the following page.

Corrections Division-Current Level and Modified

Agency Program	Title	Recommended FTE FY86	Recommended FTE FY87	Recommended Budget FY86	Recommended Budget FY87
6401-45	Corrections (Central Office)	86.50	86.50	$ 3,862,805	$ 3,852,242
6407-12	Mountain View School	64.49	64.49	1,662,573	1,657,415
6409-04	Pine Hills School	116.97	116.97	3,095,183	3,173,908
6409-12	Prison Care and Custody	340.53	379.78	10,644,965	11,450,921
6409-15	Prison Ranch and Dairy	15.75	15.75	1,719,150	1,713,556
6409-16	Prison License Plate	2.00	2.00	376,515	425,768
6409-17	Prison Industries	4.25	4.25	409,751	406,989
6409-21	Prison Canteen	0	0	373,370	410,848
6409-22	Prison Industries Training	2.75	2.75	362,946	318,049
6410-12	Swan River Youth Forest Camp	26.83	26.83	918,842	897,712
Total Correction Division		660.07	699.32	$23,426,100	$24,307,408

Mental Health and Residential Service-Current Level and Modified

Agency Program	Title	Recommended FTE FY86	Recommended FTE FY87	Recommended Budget FY86	Recommended Budget FY87
6401-57	Mental Health and Residential Services (Central Office)	5.00	5.00	$ 5,552,693	$ 5,554,523
6402-12	Boulder River School and Hospital	440.40	359.65	10,877,880	10,195,647
6404-30	Center for the Aged	103.43	103.43	2,585,634	2,574,327
6405-12	Eastmont	94.52	106.32	2,104156	2,209,353
6411-12	Veterans' Home	74.50	74.50	1,852,253	1,857,923
6412-12	Montana State Hospital	703.60	703.60	19,516,030	19,536,563
6414-01	Montana Youth Treatment Center	112.26	112.26	2,559,210	2,522,917
Total Mental Health and Residential Budget		1533.71	1464.76	$45,047,856	$44,451,253

After considering the size and complexity of these two divisions, it is understandable why flexibility would be desirable in order to properly manage the programs within them. It is for this reason that the department officials would like to ask the legislature for this fiscal flexibility. Hopefully, authorization will be granted to the department to transfer funds within these divisional lines.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	173.12	172.45	164.10	164.10
Personal Services	3,908,303.57	3,972,865	3,912,565	3,923,504
Operating Expenses	2,459,176.13	3,401,070	3,086,047	3,056,544
Equipment	175,989.36	9,097	49,770	16,890
Local Assistance	1,638,673.00	0	1,715,786	1,789,477
Grants	6,338,033.48	5,895,430	6,628,994	6,650,489
Total Agency Costs	$14,520,175.54	$13,278,462	$15,393,162	$15,436,904
General Fund	9,953,831.86	10,885,486	10,728,321	10,797,256
State Special Revenue Fund	1,927,978.69	311,343	2,068,793	2,173,657
Federal & Other Spec Rev Fund	2,604,812.99	2,048,001	2,596,048	2,465,991
Proprietary Fund	33,552.00	33,632	0	0
Total Funding Costs	$14,520,175.54	$13,278,462	$15,393,162	$15,436,904
Current Level Services	14,449,756.56	13,278,462	15,032,568	14,929,008
Modified Level Services	70,418.98	0	360,594	507,896
Total Service Costs	$14,520,175.54	$13,278,462	$15,393,162	$15,436,904

Agency Description

The Department of Institutions is provided for in section 2-15-2301, MCA. Section 53-1-201 defines its purpose:

"The department of institutions shall utilize at maximum efficiency the resources of state government in a coordinated effort to restore the physically or mentally disabled, to rehabilitate the violators of laws, to sustain the vigor and dignity of the aged, to provide for children in need of temporary protection or correctional counseling, to train children of limited mental capacity to their best potential, to rededicate the resources of the state to the productive independence of its now dependent citizens, and to coordinate and apply the principles of modern institutional administration to the institutions of the state."

In carrying out these purposes, the department staff seek to provide care and treatment services of a quality that will guarantee the rights of residents, comply with state and federal standards, and when possible, return residents of the institutions to a normal life in the community. The objectives are to improve the coordination of services provided by institutions through the development of new management techniques and to make management information readily available to the institutions.

The following institutions are in the department: Boulder River School and Hospital, Center for the Aged, Eastmont Training Center, Mountain View School, Pine Hills School, Montana State Prison, Swan River Youth Forest Camp, Veterans' Home, Montana State Hospital, The Women's Correctional Center, and the new Montana Youth Treatment Center.

DIRECTOR BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.50	9.50	10.00	10.00
Personal Services	326,969.55	316,570	339,312	339,969
Operating Expenses	41,618.38	45,789	45,719	38,128
Equipment	216.22	1,043	0	0
Total Program Costs	$368,804.15	$363,402	$385,031	$378,097
General Fund	335,252.15	329,770	385,031	378,097
Proprietary Fund	33,552.00	33,632	0	0
Total Funding Costs	$368,804.15	$363,402	$385,031	$378,097
Current Level Services	368,804.15	363,402	385,031	378,097
Total Service Costs	$368,804.15	$363,402	$385,031	$378,097

Program Description

The Director's Program staff are responsible for the effective management and planning of the programs of the department's four divisions (Alcohol and Drug Abuse Division, Corrections Division, Management Services Division, and Mental Health and Residential Services Division), their respective institutions, and the Institutional Industries Program. They also provide administrative support for the Board of Pardons, as well as legal, personnel and labor relations support services for the central office and the institutions.

Budget Issues

Auditor position. During FY84 the department determined that an internal auditor position was necessary to insure the following: 1) that fiscal contracts are being exercised, 2) fiscal policies are being followed, 3) maximum reimbursement is being realized through accurate cost reports, 4) information systems are effective and efficient, 5) all revolving operations maintain solvency, and 6) all audit recommendations by the Office of Legislative Auditor are pursued.

In FY85 a program transfer was requested to move .50 FTE from the Management Services Division and .50 FTE from the Corrections Division to place a 1.00 FTE Auditor position in the Director's program. The .50 FTE from the Management Services Division and the .50 FTE from the Corrections Division have been deleted. The 1.00 FTE was created in the Director's Program by the utilization of authorized FTE within the Central Office agency. Thus, no additional FTE is requested in the Central Office as a result of this transfer.

Lawyer position. The 1983 legislature authorized the addition of a .50 FTE lawyer position for the Director's program. A .50 FTE lawyer did not meet the needs of the department, consequently a full-time lawyer was hired using funding and authorization from portions of other positions within the Central Office.

Specifically, in FY85 the Central Office submitted a request for a program transfer

DIRECTOR BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.50	9.50	10.00	10.00

to establish the lawyer as a 1.00 FTE. The Corrections Division transferred the authority for the .50 FTE to the Director's program and all of the Divisions within the Central Office contributed to the funding of the position out of their personal services budgets. Overall, no additional FTE were created or requested as a result of this transfer.

Industries Coordinator position. The Industries Coordinator position has been eliminated in an effort to reduce overhead costs in the Prison Ranch and Industries programs.

MANAGEMENT SERVICES DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	31.00	31.00	30.50	30.50
Personal Services	659,029.65	678,400	689,390	690,464
Operating Expenses	239,682.10	299,380	239,931	207,274
Equipment	57,391.65	3,479	1,664	1,172
Total Program Costs	$956,103.40	$981,259	$930,985	$898,910
General Fund	956,103.40	981,259	930,985	898,910
Total Funding Costs	$956,103.40	$981,259	$930,985	$898,910
Current Level Services	956,103.40	981,259	930,985	898,910
Total Service Costs	$956,103.40	$981,259	$930,985	$898,910

Program Description

The staff of the Management Services Division is responsible for the department's budgeting and accounting services. They also provide technical assistance to all institutions in budgeting, accounting and other management areas. The staff of the Reimbursement Control Section bill and collect for the department's reimbursement program. The Information and Systems Bureau staff are responsible for coordinating all data processing projects within the department.

Budget Issues

Position reduction. A .50 FTE was transferred from the Management Services Division to add an Auditor position in the Director's office. The other .50 FTE for the Auditor position was transferred from the Corrections Division. Overall, there has not been an increase in authorized FTE in the central office as a result of this action.

ALCOHOL & DRUG ABUSE DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	10.00	10.00	10.00	10.00
Personal Services	255,165.59	282,188	271,860	272,261
Operating Expenses	100,642.25	109,000	113,486	114,336
Equipment	8,125.07	3,000	3,000	3,000
Local Assistance	1,638,673.00	0	1,715,786	1,789,477
Grants	1,269,012.50	663,027	1,318,500	1,339,200
Total Program Costs	$3,271,618.41	$1,057,215	$3,422,632	$3,518,274
General Fund	219,592.00	230,925	220,951	232,037
State Special Revenue Fund	1,927,978.69	311,343	2,068,793	2,173,657
Federal & Other Spec Rev Fund	1,124,047.72	514,947	1,132,888	1,112,580
Total Funding Costs	$3,271,618.41	$1,057,215	$3,422,632	$3,518,274
Current Level Services	3,225,967.41	1,057,215	3,375,582	3,470,774
Modified Level Services	45,651.00	0	47,050	47,500
Total Service Costs	$3,271,618.41	$1,057,215	$3,422,632	$3,518,274

Program Description

Under authority delegated from the director, the staff of the Alcohol and Drug Abuse Division allocates state resources for the control and treatment of chemical dependency to programs for their effective use. Their duties include: approving chemical dependency treatment programs; preparing long term (4 year) state plans for the delivery of treatment services; reviewing and approving county chemical dependency plans; conducting statewide service system evaluations; distributing state and federal funds in accordance with 53-24-206 MCA; establishing standards for the certification of chemical dependency counselors; planning and providing for the training of program personnel delivering services to chemical dependent persons; establishing criteria for the development of new chemical dependency programs, planning for the greatest utilization of funds by discouraging duplication of services; encouraging efficiency of services through existing programs and encouraging rural counties to form multi-county districts or to contract with urban programs for services; and cooperating with the Board of Pardons in establishing and conducting programs to provide treatment for chemically dependent and intoxicated persons in or on parole from penal institutions.

Budget Issues

Public Funding. The majority of the state community approved programs are funded by the alcohol earmarked tax and federal block grant funds. The earmarked alcohol tax is tied directly to the volume of alcoholic beverages sold in the state and is distributed to the counties based upon 85% county population and 15% county land area in comparison to the total state population and area. Federal block grant funds are awarded to local programs on a competitive contract basis.

It is possible that community programs will be operating with less public funds in

ALCOHOL & DRUG ABUSE DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	10.00	10.00	10.00	10.00

the 1987 biennium than in the 1985 biennium. This is possible for several reasons; 1) alcohol sales are decreasing, 2) legislative increases in appropriations out of the earmarked tax prior to the distributions to counties, 3) slight if any increases in block grant funds. Essentially, a one time infusion of federal funds offset the reduction of alcohol earmarked tax this biennium, but such infusion will not be available again in the foreseeable future.

This shortfall may be alleviated somewhat with the increase in federal tax of $2.00 per gallon on liquor (effective October 1, 1985) assuming sales do not decrease more than already projected because of the increase in cost.

Travel. The increase in travel reflected in this budget is due to certain staffing vacancies throughout FY 84. Even though all positions in this program were filled during the year, some vacancies did occur which forced the Division to operate at less than 100 percent staffing. Most vacant time occurred within the Quality Assurance Section which includes the evaluation unit.

Over 65 percent of total division travel budget was allocated to the Quality Assurance Section. Because of these vacancies, less people traveled. On several occasions other Division members were called upon to perform required annual evaluations of community programs. This caused necessary trips for other purposes to be postponed or cancelled entirely.

Modification Requests

Funding Change
Jobs Bill. The federally funded jobs bill is recommended for appropriation authority for the 1987 biennium.

Cost: FY 1986 - $ 47,050 FY 1987 - $ 47,500

CORRECTIONS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	93.50	93.50	88.00	88.00
Personal Services	2,038,300.96	2,073,182	2,005,886	2,011,413
Operating Expenses	1,353,437.55	1,829,066	1,849,309	1,858,012
Equipment	104,449.40	0	45,106	12,000
Total Program Costs	$3,496,187.91	$3,902,248	$3,900,301	$3,881,425
General Fund	3,490,012.46	3,899,174	3,897,706	3,878,726
Federal & Other Spec Rev Fund	6,175.45	3,074	2,595	2,699
Total Funding Costs	$3,496,187.91	$3,902,248	$3,900,301	$3,881,425
Current Level Services	3,492,342.91	3,902,248	3,862,805	3,852,242
Modified Level Services	3,845.00	0	37,496	29,183
Total Service Costs	$3,496,187.91	$3,902,248	$3,900,301	$3,881,425

Program Description

The Corrections Division exists to develop and administer an integrated corrections program for adults and youths. Special emphasis is placed upon community supervision whenever possible and providing individualized treatment for each offender requiring institutionalization. For those incarcerated, adequate security must be maintained to protect the offender and prevent further transgressions against the public. The program staff provide leadership, direction and support for both line and staff operations. They assist in developing a continuum of correctional programs which place the individual in the least restrictive setting consistent with good judgment. Specific programs within the Corrections Division include the following.

Life Skills Centers - Facilities in Billings and Missoula provide pre-release alternatives to prison for male and female offenders. These centers provide educational and work opportunities while also providing close supervision of the offenders. The Billings program houses up to 12 female offenders while the Missoula program can accommodate 24 male offenders.

Women's Correctional Facilities - The Warm Springs facility provides for 30 female offenders.

Pre-Release Centers - The Corrections Division contracts with non-profit corporations for pre-release services for male and female offenders. Centers are currently operational in Billings, Butte and Great Falls.

Probation and Parole - The program staff supervise and counsel adult felons upon leaving prison and adults sentenced to probation to reduce criminal activities.

Aftercare - Community supervision is provided for youths who are released from correctional programs or committed by the courts. The mission of Aftercare is to assist youths adjudicated as juvenile delinquents or youth in need of

CORRECTIONS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	93.50	93.50	88.00	88.00

supervision to become well-adjusted, productive members of society.

Aftercare Group Homes - These facilities are operated to provide less restrictive alternatives to institutional placement of youthful offenders. These homes are located in Missoula, Helena, Great Falls and Billings.

Youth Evaluation Program - The division provides a community-based, residential evaluation program for up to eight male and female youthful offenders. This program is located in Great Falls and provides a less restrictive setting than a youth correctional facility for those youth who must be evaluated.

Budget Issues

Position Transfers - A .50 FTE was transferred from the Corrections Division to provide for a full-time attorney position in the Director's program. The Director's program was authorized a .50 FTE attorney position by the previous legislature. However, increased workload demands, necessitated making the attorney position a 1.00 FTE.

Another .50 FTE was transferred from the Corrections Division to the Director's program to provide for half of the Auditor's position. The other half of this position was provided for by the Management Services Division. These transfers did not result in an increase in the overall authorized FTE in the central office.

Thus, in FY84 and FY85 the Corrections Division was authorized 93.50 FTE. However, there was only 92.50 FTE requested by the Corrections Division in FY86 and FY87.

Pre-Release Centers. Two additional pre-release centers became operational in FY 84. One of these centers is located in Butte and the other is located in Great Falls. This budget reflects the additional operational costs associated with these centers.

Youth Evaluation Program. The Youth Evaluation program in Great Falls has not been recommended to continue operation. This facility offers evaluations to youthful offenders. The primary reason for this recommendation is that the same evaluations can be accomplished at the Mountain View School and the Pine Hills School without a duplication of costs and effort.

Cost savings: FY 86 $163,375 FY 87 $178,847
FTE reduction: FY 86 6.0 FY 87 6.0

Modification Requests

Workload Increase
An additional FTE and the associated operating costs are requested in the Community Services program for probation and parole. In June 1981, the National Institute of Corrections awarded a grant to the Department of Institutions to fund a major study and set standards of supervision for Adult Probation and Parole. The study surveyed, over a three month period, the time required to perform all necessary

CORRECTIONS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	93.50	93.50	88.00	88.00

tasks in the completion of probation and parole supervision. Most of these are court-ordered or statutorily defined. The study also scrutinized and measured travel time, leave time, and time spent in the completion of administrative tasks (meetings, report writing, etc.). Once it was known exactly how much time field officers have available for case supervision, a classification system was adopted (minimum, medium, maximum) which includes standards for contact between the offender and the Probation/Parole Officer. The standards were set to reasonably allow a probation/parole officer to meet them within his available time.

Cost: FY 1986 - $ 30,475 FY 1987 - $ 22,159
FTE: 1.00 1.00

Secretary/Missoula Pre-Release - The secretarial responsibilities at the Missoula Pre-Release Center indicates a need for a 1.00 FTE Secretary. This is an increase of .50 FTE for that position. The Secretary is responsible for maintaining individual inmate accounts on a daily basis, reception work and all clerical duties for eleven other staff members.

In the absence of a full-time secretary, other staff members must take the time from their regular duties to type, answer the telephone, or engage in other clerical tasks. Allowing this position to increase to a 1.00 FTE brings the clerical staffing at the Missoula Pre-Release Center in line with the other pre-release centers.

Cost: FY 1986 - $ 7,021 FY 1987 - $ 7,024
FTE: .50 .50

WOMEN'S CORRECTIONAL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	23.45	23.45	20.60	20.60
Personal Services	408,792.01	453,572	426,809	429,585
Operating Expenses	138,828.13	297,060	203,860	204,521
Equipment	3,713.77	1,575	0	718
Total Program Costs	$551,333.91	$752,207	$630,669	$634,824
General Fund	551,333.91	752,207	630,669	634,824
Total Funding Costs	$551,333.91	$752,207	$630,669	$634,824
Current Level Services	551,333.91	752,207	630,669	634,824
Total Service Costs	$551,333.91	$752,207	$630,669	$634,824

Program Description

The Women's Correctional Program contains various elements for housing and treating female offenders in the State of Montana. The major component of the program is the corrections facility located at the Montana State Hospital. This facility began operations in FY82, and can house thirty female offenders. Its staff provide work, education, and recreational services to the inmates. Also included in this program are services at the Billings' Life Skills Center, and out-of-state and in-state placements.

Budget Issues

Average Daily Population (ADP). The Women's Correctional Facility was opened on May 3, 1982. When the 1983 Legislature met, funding was based upon a limited historical experience for a population of 30 inmates (the Center's capacity). The ADP reached a total of 23 inmates during August of FY83. There were 26 inmates at the end of July 1984.

It is anticipated that the population will stabilize at 25 for the 1987 biennium. The main factor influencing the stabilization is the fact that the facility is now housing more long-term inmates. When the Center opened, approximately 25% of the inmates were medium security and 75% were minimum security. This mix was reversed during FY 84 and currently there are approximately 25% minimum security inmates and 75% medium security inmates with a long-term commitment.

The ADP for the Billings Pre-release Center for Women was 6.72 in FY84. This budget recommends funding for an ADP of 8 inmates for the 1987 biennium. The increase in population is anticipated as the Women's Correctional Facility refers as many minimum security inmates as possible to avoid increasing that population to a level greater than 25 ADP.

Position Reductions. During FY84, there were 1.85 FTE Correctional Officers vacant at the Women's Correctional Center. These positions are not recommended for authorization in the 1987 biennium.

WOMEN'S CORRECTIONAL PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	23.45	23.45	20.60	20.60

Also, a 1.00 FTE Life Skills Attendant position at the Billings Life Skills Center was vacant throughout FY 84. Similarly, this position is not recommended for the 1987 biennium.

CORRECTION'S MEDICAL BUDGET BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.67	.00	.00	.00
Personal Services	52,269.57	0	0	0
Operating Expenses	530,528.55	743,163	570,851	570,851
Total Program Costs	$582,798.12	$743,163	$570,851	$570,851
General Fund	582,798.12	743,163	570,851	570,851
Total Funding Costs	$582,798.12	$743,163	$570,851	$570,851
Current Level Services	582,798.12	743,163	570,851	570,851
Total Service Costs	$582,798.12	$743,163	$570,851	$570,851

Program Description

The Correctional Medical Program reflects the centralization of medical, optometry, dental, lab and security costs previously budgeted in other correctional programs. Due to the constant movement of individuals through the corrections system, a flexible method to address health needs is required. This budget structure provides the flexibility needed to cover these costs for the Montana State Prison, the Swan River Youth Forest Camp, the Women's Correction Program, the aftercare juvenile programs, and the five adult pre-release centers.

Budget Issues

The Correction's Medical budget was created to consolidate the costs of medical services from the various correctional agencies. This enabled consistency of services and better management of medical costs. In FY84, an operations plan adjustment was approved which enabled the Department to transfer some appropriated authority from contracted services to personal services. Also, a 1.00 FTE full credential Physician was established to provide medical services for the Montana State Prison. A physician was hired in November, 1983 to provide these services.

The creation of the FTE may be attributed to the fact that the prison was unable to renew its contract with the Deer Lodge Clinic and because there were no other physicians within the community who were willing to contract their services to the prison.

For the 1987 biennium, the Montana State Prison has submitted a modified budget proposal to include the Physician FTE in the prison's budget. No funding is requested in the Correction's Medical budget for the physician's personal services requirement.

The Correction's Medical budget request is only for the costs of contracted services associated with providing medical services within the correctional programs.

MH & RES. SERVICES ADMIN. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.00	5.00	5.00	5.00
Personal Services	167,776.24	168,953	179,308	179,812
Operating Expenses	54,439.17	77,612	62,891	63,422
Equipment	2,093.25	0	0	0
Grants	5,069,020.98	5,232,403	5,310,494	5,311,289
Total Program Costs	$5,293,329.64	$5,478,968	$5,552,693	$5,554,523
General Fund	3,818,739.82	3,948,988	4,092,128	4,203,811
Federal & Other Spec Rev Fund	1,474,589.82	1,529,980	1,460,565	1,350,712
Total Funding Costs	$5,293,329.64	$5,478,968	$5,552,693	$5,554,523
Current Level Services	5,272,406.66	5,478,968	5,276,645	5,123,310
Modified Level Services	20,922.98	0	276,048	431,213
Total Service Costs	$5,293,329.64	$5,478,968	$5,552,693	$5,554,523

Program Description

The staff of the Mental Health and Residential Services Division provides administrative leadership and coordination for a wide range of human service programs. These include the institutional and community programs for the mentally ill, institutional programs for the developmentally disabled, residential nursing home programs for veterans and elderly persons with chronic mental disorders. It is the responsibility of the Mental Health and Residential Services Division to provide management, planning and evaluation in support of these programs.

In accordance with section 53-21-203, MCA, the Department of Institutions assures that appropriate and accessible community based mental health services are provided. Such services are provided through contracts between the Department of Institutions and the five private, non-profit regional community mental health centers (CMHCs). The CMHCs provide inpatient, emergency, transitional, day treatment, outpatient, and prevention services to approximately 13,500 Montanans each year.

Budget Issues

Because of reductions in federal funding a major portion of the Mental Health program budget is presented as a modified request. The modified request represents the necessary funding required to maintain current level operations of the Community Mental Health Centers and the program's administrative operations within the central office.

The recommended budget for this program does not reflect rate adjustments to allow for possible pay increases. If the legislature grants a pay increase, a corresponding rate of increase in this program is supported.

Modification Requests

MH & RES. SERVICES ADMIN. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.00	5.00	5.00	5.00

Funding Change
The 1983 legislature appropriated the residual of federal categorical grant funds and federal block grant funds for community mental health centers in the 1985 biennium. Furthermore, approximately 10% of the block grant funds were allocated for the administration of the program; namely, the Mental Health and Residential Services Division.

This action decreased the general fund support by 4.2% from the 1983 biennium because there was a one-time block grant fund balance available for use. The 3.50 FTE shown in this modified request are actually current level positions which were authorized by the previous legislature. Because of the funding change, these positions had to presented as modifications to the existing budget.

As was anticipated, additional general fund support is required to maintain this program at current level in the 1987 biennium.

Cost: FY 1986 - $195,572 FY 1987 - $349,953

FTE: FY 1986 - 3.50 FY 1987 - 3.50

New Services
Jobs Bill. If the Jobs Bill funds become available in the 1986-87 biennium, the Mental Health and Residential Services Division will provide additional services to community mental health programs for the prevention and treatment of mental illness to people who have problems associated with extended unemployment.

Current state and federal funding has been directed toward persons who have developed a chronic mental illness associated with unexpected unemployment. Those individuals unemployed and identified under this program would be provided mental health services. The Mental Health and Residential Services Division will identify specific regional programs through county unemployment statistics from the Department of Labor to determine eligibility for disseminating the funds. Funds will be awarded through service contracts after request for proposals are received from the community mental health programs.

Cost: FY 1986 - $ 78,421 FY 1987 - $ 79,205

Workload Increase
The Community Support Project funds Montana's continued participation in regional community support activities and the provision of technical assistance to other states which have only recently begun the development of Community Support Systems for the chronically mentally ill.

Montana was one of the first states to receive a community support project grant. The State's experience in developing services is shared with other rural western states at regional conferences. It is the expectation of the National Institute of Mental Health, in granting these funds, that Montana will be actively involved in the planning of the regional conference and will make presentations at the conference.

Montana participants will also attend conference presentations and disseminate their

MH & RES. SERVICES ADMIN. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.00	5.00	5.00	5.00

knowledge in Montana upon their return.

Cost: FY 1986 - $ 2,055 FY 1987 - $ 2,055

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	449.85	441.40	440.40	359.65
Personal Services	8,705,134.13	9,117,716	9,087,366	8,508,239
Operating Expenses	1,645,080.35	1,728,210	1,780,040	1,687,408
Equipment	47,059.35	11,991	10,474	0
Capital Outlay	39,060.80	0	0	0
Total Agency Costs	$10,436,334.63	$10,857,917	$10,877,880	$10,195,647
General Fund	10,376,220.52	10,828,345	10,793,362	10,132,470
State Special Revenue Fund	7,547.92	12,400	33,844	20,324
Federal & Other Spec Rev Fund	52,566.19	17,172	50,674	42,853
Total Funding Costs	$10,436,334.63	$10,857,917	$10,877,880	$10,195,647
Current Level Services	10,403,818.44	10,857,917	10,815,483	10,821,573
Modified Level Services	32,516.19	0	62,397	625,926-
Total Service Costs	$10,436,334.63	$10,857,917	$10,877,880	$10,195,647

Agency Description

The purpose of Boulder River School and Hospital is to provide treatment and habilitation suited to the needs of the profoundly mentally retarded individual, and to assure that such treatment and habilitation is skillfully and humanely administered with full respect for the person's dignity and personal integrity, and in the least restrictive and most appropriate environment. Admission procedures and basic guidelines for care, treatment, and training of the residents are found in Title 53, Chapter 20, MCA.

Budget Issues

HB 909 Recommendations. This budget recommendation initiates changes in the staffing level, operating costs and program mission of the Boulder River School and Hospital (BRSH). These changes are proposed in compliance with the Governor's HB 909 recommendations. Those recommendations suggest transforming the BRSH from a 205-bed institution for persons with severe/profound developmental disabilities to a 60-bed facility serving developmentally disabled persons with severe and persistent behavior problems and providing transitional and/or emergency services. The present BRSH population, excluding those with behavior problems, will be transferred to an expanded community-based Developmentally Disabled (DD) service system or to the Eastmont Human Services Center (EHSC), as appropriate. The proposed changes are to occur over the next five years. The fiscal impact for FY86 and FY87 are reflected in this budget recommendation.

Position Reductions. Three positions (3.00 FTE) were vacant throughout FY84 and have been eliminated from this budget recommendation. These positions include two physicians and an occupational therapist. Presently, physician services at BRSH are provided by contracted services.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	449.85	441.40	440.40	359.65

Two Physical Therapist positions (2.00 FTE) were vacant throughout most of FY84. One of these positions has been filled while the other remains vacant. The remainder of the physical therapy work is being completed by contracted services. This contract has been eliminated because it is anticipated that the remaining Physical Therapist position will be filled.

Modification Request

Workload Decrease (HB909).
The primary biennial fiscal impact of the HB909 modification is a reduction of 80.50 FTE at BRSH, occurring in the last five months of FY87. These FTE reductions are contingent upon successful resident movement from BRSH and cannot be imposed before late FY87. A total of $89,194 is requested to be applied to termination benefits for the reduced FTE. Travel expenditures will be increased substantially to support resident transfers to community programs and the EHSC. A biennial travel increase of $20,000 is requested for this purpose.

Cost: FY 1986 - $ 0 FY 1987 - <$670,374>

FTE: FY 1986 - 0 FY 1987 - < 80.50>

Expanded Service
Title I Education Grant. The purpose of this modified budget request is to enable Boulder River School and Hospital to continue to participate in the Title I education program. This grant funded two Teacher Aide positions in the 1985 Biennium and will fund two Teacher Aide positions in FY86, and 1.75 Teacher Aide positions in FY87. These positions will be utilized to supplement the cost of appropriate educational services to the population of this facility who are under 21 years of age. The federal funds are granted through the Office of Public Instruction.

Cost: FY 1986 - $ 36,397 FY 1987 - $ 31,968

FTE: FY 1986 - 2.00 FY 1987 - 1.75

Donated Funds. The Office of the Legislative Auditor recommends placing donated funds in the State Special Revenue account instead of the Agency Fund account. It is necessary to place language in the appropriations bill to allow authority to expend these funds. These funds are used for various activities, Christmas gifts and other items for residents.
Estimated Donations: FY 1986 - $ 26,000 FY 1987 - $ 12,480

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	102.93	102.93	103.43	103.43
Personal Services	1,889,246.41	1,952,557	2,003,864	2,011,024
Operating Expenses	518,220.35	579,395	574,667	562,681
Equipment	14,543.00	2,809	7,103	622
Total Agency Costs	$2,422,009.76	$2,534,761	$2,585,634	$2,574,327
General Fund	2,415,499.29	2,523,258	2,578,448	2,566,871
State Special Revenue Fund	6,510.47	11,503	7,186	7,456
Total Funding Costs	$2,422,009.76	$2,534,761	$2,585,634	$2,574,327
Current Level Services	2,422,009.76	2,534,761	2,576,631	2,565,321
Modified Level Services	0.00	0	9,003	9,006
Total Service Costs	$2,422,009.76	$2,534,761	$2,585,634	$2,574,327

Agency Description

The staff of the Center for the Aged offers long-term care for persons fifty-five years of age or older who have chronic mental disorders. The staff provides nursing care and recreational activities with full respect for the dignity and integrity of the residents. The admission procedures and basic guidelines for the care of the residents are found in 53-21-411 through 53-21-413 MCA.

Budget Issues

Modification Requests

New Services
This budget modification would add .50 FTE to the recreational therapy program. The recreational therapy program provides a range of adaptive activities that involve an increasing number of residents. The increased FTE will meet the residents' requirements for continued recreational programs. The primary focus of the added FTE would be to insure that residents on the wandering wings, are provided with constructive activities. Addition of this .50 FTE would allow the recreation program to add the following range of services:

A. Expand the bus rides to 20 hours per week from the current 14 hours on Monday, Tuesday, and Thursday. This project would then be a daily scheduled event.

B. Trips to the community for one hour would be offered Monday thru Friday. This would be a new activity for a total of five hours a week.

C. Provide ten hours per week of additional recreation services to residents. These ten hours would be divided between the wings and would provide the various activities designed to improve or maintain skills.

Cost: FY 1986 - $ 8,587 FY 1987 - $ 8,590

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	102.93	102.93	103.43	103.43

FTE: FY 1986 - .50 FY 1987 - .50

Expanded Services
Donated Funds. The Office of the Legislative Auditor recommends that donated funds be placed in the State Special Revenue account rather than the Agency Fund account. It is requested that specific language be placed in the appropriation bill to comply with this recommendation. These funds are used for various activities, Christmas gifts and other items for the residents.

Estimated Donations: FY 1986 - $ 416 FY 1987 - $ 416

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	95.02	94.02	94.52	106.32
Personal Services	1,657,914.52	1,753,642	1,754,620	1,848,255
Operating Expenses	280,690.25	304,015	345,454	350,280
Equipment	20,383.26	6,742	4,082	10,818
Total Agency Costs	$1,958,988.03	$2,064,399	$2,104,156	$2,209,353
General Fund	1,934,654.21	2,059,415	2,101,036	2,206,233
State Special Revenue Fund	0.00	0	3,120	3,120
Federal & Other Spec Rev Fund	24,333.82	4,984	0	0
Total Funding Costs	$1,958,988.03	$2,064,399	$2,104,156	$2,209,353
Current Level Services	1,936,331.17	2,064,399	2,077,063	2,067,188
Modified Level Services	22,656.86	0	27,093	142,165
Total Service Costs	$1,958,988.03	$2,064,399	$2,104,156	$2,209,353

Agency Description

The Eastmont Human Services Center provides a seven-day intermediate nursing care and training program for mentally retarded persons. The staff at the center offers instruction in academics, home living, recreation and physical education, speech, pre-vocational skills, self-help, and socialization. The center's goal is to maintain and improve these residents' skills to enable them to function in the community. To achieve this objective, the staff at Eastmont emphasizes cooperation with community groups and agencies and the education of the public regarding developmental disabilities and mental retardation. This facility is provided for in 53-20-502, MCA.

Budget Issues

HB 909 Recommendations. This budget recommendation addresses changes in staffing levels and operational costs associated with the proposed implementation of the Governor's HB 909 recommendations. The nature of the resident population at the Eastmont Human Services Centers (EHSC) is to change over the next four years and will be comprised of developmentally disabled individuals who are more seriously handicapped including some who are non-ambulatory. Many of these individuals now reside at the Boulder River School and Hospital. The proposed shift of the EHSC resident population will require an increase in staff ratios and the travel expenditures associated with the transfer of residents. The primary budgetary impact of this recommendation is an increase of 11.80 FTE which will be experienced in the second half of FY 1987.

Position reduction. A Laundry Worker I position has been eliminated from this budget recommendation because of a substantial increase in laundry contract costs. The laundry work at this facility is now contracted out. This action brings Eastmont in compliance with Department of Health standards.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	95.02	94.02	94.52	106.32

Modification Requests

Workload Increase (HB909).
The resident population of EHSC will remain numerically constant. However, the proposed changes in the nature of that population as a result of HB909 recommendations will impose increased demands on training staff, professional support services (e.g. speech and physical therapy) and health care staff. In addition, an increase in travel funding is requested to support the costs of successful community placement of present EHSC residents.

Cost: FY 1986 - $ 0 FY 1987 - $115,063

FTE FY 1986 - 0 FY 1987 - 11.80

New Service
Habilitation Aide position. Since July 1, 1983, Eastmont has received five additional non-ambulatory residents, which requires an additional 1.00 FTE to provide for their needs. With the addition of this position, the habilitation staff would be afforded the time to run an increased number of formal programs in the cottage as was done prior to July 1983.

Cost: FY 1986 - $ 14,889 FY 1987 - $ 14,895

FTE FY 1986 - 1.00 FY 1987 - 1.00

New Service
LPN Position. An additional .50 LPN position is recommended to work with additional residents at the center. Since July 1, 1983, when Eastmont went to an entirely 7-day operation, nineteen new residents have been committed, five of whom are non-ambulatory. There has been a marked increase in neurologic, cardiac, dermatologic, ophthalmologic, orthopedic and fittings of appliances, surgical, as well as other conditions which demand a specialist. Most services of specialists can only be obtained outside of Glendive. This necessitates travel for initial appointments, treatments and follow-up.

A nurse and another staff member is required to accompany the residents to any medical appointments outside Glendive. This increases the need for additional nursing staff in order to maintain adequate nursing coverage at the Center.

Because of these additional medical problems, day to day treatments and emergency situations at the Center have increased. These treatment and emergency situations require the attention of nursing personnel.

Cost: FY 1986 - $ 9,084 FY 1987 - $ 9,087

FTE FY 1986 - .50 FY 1987 - .50

Expanded Services
Donated funds. The Office of Legislative Auditor has recommended placing donated funds in the State Special Revenue account instead of the Agency Fund account. It

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	95.02	94.02	94.52	106.32

is necessary to place language in the appropriations bill to allow authority to expend these funds. These funds are used for various activities, Christmas gifts and other items for the residents.

Cost: FY 1986 - $ 3,120 FY 1987 - $ 3,120

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	65.55	64.05	64.49	64.49
Personal Services	1,274,537.47	1,345,407	1,400,071	1,404,167
Operating Expenses	238,739.80	262,757	260,076	251,098
Equipment	20,920.05	1,015	2,426	2,150
Total Agency Costs	$1,534,197.32	$1,609,179	$1,662,573	$1,657,415
General Fund	1,423,515.53	1,579,923	1,604,553	1,599,386
Federal & Other Spec Rev Fund	110,681.79	29,256	58,020	58,029
Total Funding Costs	$1,534,197.32	$1,609,179	$1,662,573	$1,657,415
Current Level Services	1,506,003.73	1,609,179	1,633,809	1,628,642
Modified Level Services	28,193.59	0	28,764	28,773
Total Service Costs	$1,534,197.32	$1,609,179	$1,662,573	$1,657,415

Agency Description

The staff at Mountain View School has the responsibility to properly diagnose, care for, train, educate, and rehabilitate female youth between the ages of 10 and 21 years who have been committed by the courts. A 45-day evaluation program is provided. Each youth is provided with an individualized education program, as well as diagnostic and treatment services. The facility is provided for in 53-30-202, MCA.

Budget Issues

Position Reduction. An Accounting Specialist position was vacant throughout most of FY 84. The agency has decided not to fill this position and it has been deleted from this budget request.

Psychological Services Contract. Because of recruiting difficulties a Psychologist position was vacant throughout FY 84. The agency has contracted for these services to provide necessary evaluations. It is anticipated that this position will be filled in FY 85. As a result, the contract for psychological evaluation has not been recommended in this budget.

Modification Requests

Expanded Service
Title I Education Grant. This federal grant provides Mountain View School with monies for one-to-one instructional opportunities with a regular classroom teacher and a tutor. The presence of a classroom tutor will make the teacher available for such activities as introducing new concepts, review, and drill. In addition, the student will receive computer instruction.

Because most of the students are at least two grades below their chronological grade level, it is essential that they continue to develop their basic skills.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	65.55	64.05	64.49	64.49

Cost: FY 1986 - $ 28,140 FY 1987 - $ 28,149

FTE: FY 1986 - 1.44 FY 1987 - 1.44

Title IV Education Grant. These federal funds are distributed through the Office of Public Instruction and are used for the purchase of approved school supplies.

The funds provide supplies and materials for in-service training and special kinds of programs for juvenile delinquent girls which are not provided through the regular appropriation.

Cost: FY 1986 - $ 624 FY 1987 - $ 624

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	117.42	113.75	116.97	116.97
Personal Services	2,417,152.34	2,385,666	2,556,862	2,563,886
Operating Expenses	583,933.46	662,711	619,585	609,408
Equipment	33,217.42	3,834	13,450	1,400
Total Agency Costs	$3,034,303.22	$3,052,211	$3,189,897	$3,174,694
General Fund	2,510,091.13	2,677,685	2,708,047	2,692,663
State Special Revenue Fund	24,962.00	24,962	27,466	27,466
Federal & Other Spec Rev Fund	499,250.09	349,564	454,384	454,565
Total Funding Costs	$3,034,303.22	$3,052,211	$3,189,897	$3,174,694
Current Level Services	2,934,391.56	3,052,211	3,111,353	3,095,969
Modified Level Services	99,911.66	0	78,544	78,725
Total Service Costs	$3,034,303.22	$3,052,211	$3,189,897	$3,174,694

Agency Description

The staff at Pine Hills School provides residential services for male youth between the ages of 10 and 21 years who have demonstrated a need for intensive correctional attention. The institution's programs address statutory demands to properly diagnose, care for, train, educate, and rehabilitate children in need of these services. The staff also provides 45-day evaluation for boys referred by the youth courts. The primary mission of the school is to address these needs in the most effective and expeditious manner in an effort to return the student to a non-institutional environment. The facility is provided for in 53-30-202 MCA.

Budget Issues

Position Reduction. A .50 FTE Custodial Worker position was left vacant throughout most of FY 84. The agency reduced this position from their budget request.

Funding Change
Past revenue receipts of federal boarder reimbursements indicates that more than $25,000 of federal service reimbursements have been realized. The Service Reimbursements have been revised to reflect receipt of $50,000 in both FY 86 and FY 87. The general fund was reduced by $25,000 each year to offset the anticipated federal revenues.

Modification Requests

Expanded Services
Title I Education grant. This grant is designed to identify residents who are academically deprived and to supplement the established general education program to meet these special needs. These federal funds were available in the 1985 biennium and authority is requested to receive these funds as they become available in the 1987 biennium. These funds are subgranted by the Office of Public Instruction to

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	117.42	113.75	116.97	116.97

Pine Hills School.

Cost: FY 1986 - $ 73,448 FY 1987 - $ 73,629

FTE: FY 1986 - 3.72 FY 1987 - 3.72

Title II Education grant. These federal funds are used to supplement the existing education program by acquiring books, audio visual and diagnostic materials. These funds are subgranted to Pine Hills School by the Office of Public Instruction as part of the Education Consolidation Improvement Act of 1981.

Cost: FY 1986 - $ 936 FY 1987 - $ 936

New Service
The Rural Fire Association recently lost its class rating which jeopardized its future existence. The City Fire Department became the sole provider of fire protection as the Rural Fire Association was discontinued. The city has stated it will require an increase of $4,000 per year for this protection over and above the $1,000 per year they are now receiving from Pine Hills School.

Cost: FY 1986 - $ 4,160 FY 1987 - $ 4,160

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	332.45	332.45	365.28	404.53
Personal Services	7,196,085.86	7,653,901	8,762,269	9,640,665
Operating Expenses	4,006,851.77	4,633,046	4,576,620	4,704,144
Equipment	678,884.97	322,180	629,038	611,101
Capital Outlay	72,185.47	0	0	0
Total Agency Costs	$11,954,008.07	$12,609,127	$13,967,927	$14,955,910
General Fund	9,029,992.48	9,396,378	10,799,467	11,741,354
State Special Revenue Fund	689,683.96	1,023,300	800,502	887,253
Federal & Other Spec Rev Fund	99,871.86	39,869	44,130	44,130
Proprietary Fund	2,134,459.77	2,149,580	2,323,828	2,283,173
Total Funding Costs	$11,954,008.07	$12,609,127	$13,967,927	$14,955,910
Current Level Services	11,483,044.01	12,609,127	12,474,367	12,522,124
Modified Level Services	470,964.06	0	1,493,560	2,433,786
Total Service Costs	$11,954,008.07	$12,609,127	$13,967,927	$14,955,910

Agency Description

The mission of the Montana State Prison is to provide facilities for the custody, treatment, training and rehabilitation of adult criminal offenders. The Prison staff provides treatment programs to aid rehabilitation including: a program of vocational education, on-the-job training, work experience, sports and hobby programs, music programs, self-help groups and alcohol and drug abuse programs. The Prison Ranch and Dairy provides beef and dairy products to state institutions and other state agencies. The Prison also operates a plant that produces Montana's license plates. In addition, the Prison Industries Program staff provides vocational training for inmates. An expanded industries training program provides additional training opportunities for inmates. The location and function of the prison is provided for in 53-30-101 MCA.

Budget Issues

Position transfers. The Prison Industries program is on a revolving account. Certain positions have been transferred from this program to other prison programs. These positions have duties relative to the Industries program. By this means, other prison programs can pay for services they receive from Prison Industries. This will help the Prison Industries program to maintain solvency.

Specifically, half of the Industries Production Manager position (.50 FTE) was transferred from the Prison Industries program to the Prison Industries Training program (22). This action was taken because the duties of this position are evenly split between these two programs. Two shop supervisors (2.00 FTE) were transferred from this program to the Prison Care and Custody program where their work is directly related. A total of (.75 FTE) from three positions was transferred to the Prison Industries program from the Prison Ranch and Dairy. This transfer involves a

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	332.45	332.45	365.28	404.53

(.25 FTE) Accountant, a (.25 FTE) Accounting Technician, and a (.25 FTE) Delivery Truck Driver. This enables the Prison Industries program to pay for the accounting and delivery services they receive from the Prison Ranch and Dairy.

Position deletion. An Industries Technician position (1.00 FTE) was deleted from this program since it was vacant throughout FY84 and is no longer necessary.

All of these position changes within the Prison Industries program can be shown as follows:

Prison Industries (Program 17) FTE Changes

FY84 Authorized FTE	7.00
FTE transferred to program 22 (Industries Training)	(.50)
FTE transferred to program 12 (Care & Custody)	(2.00)
FTE transferred from program 15 (Ranch & Dairy)	.75
FTE deleted	(1.00)
Total FTE proposed for FY86 and FY87	4.25

CARE & CUSTODY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	300.45	300.45	340.53	379.78
Personal Services	6,599,359.90	6,842,666	8,103,190	8,980,129
Operating Expenses	2,351,210.52	2,412,818	2,610,457	2,689,320
Equipment	216,901.50	102,180	12,548	11,251
Total Program Costs	$9,167,471.92	$9,357,664	$10,726,195	$11,680,700
General Fund	8,960,398.84	9,267,829	10,631,448	11,585,933
State Special Revenue Fund	107,201.22	49,966	50,617	50,637
Federal & Other Spec Rev Fund	99,871.86	39,869	44,130	44,130
Total Funding Costs	$9,167,471.92	$9,357,664	$10,726,195	$11,680,700
Current Level Services	9,089,948.54	9,357,664	9,682,101	9,696,380
Modified Level Services	77,523.38	0	1,044,094	1,984,320
Total Service Costs	$9,167,471.92	$9,357,664	$10,726,195	$11,680,700

Program Description

The Care and Custody Program staff use the personnel, procedures, and material available to provide maximum control, retainment, and protection of prisoners. The prison's administrative, treatment and educational services are budgeted in this program.

Budget Issues

Position reduction. A .17 FTE Mail Clerk position was not utilized throughout FY84. Consequently, this partial FTE has been eliminated from this budget request.

Modification Requests

New Service
Prison Expansion. In House Bill 900, the Forty-Eighth Legislature funded a major expansion of the Montana State Prison. The bill states in part:

"(1) The goal of the Legislature in providing for major expansion of the Montana State Prison is to provide housing for 737 prisoners within the security compound at the prison while achieving the following objectives:

(a) Inmate housing should be separated into at least three levels of security. The separation should be pursued to the maximum possible extent to prevent communication by personal contact, sight, and sound among the separate areas of the prison. Staff interaction among these security levels should also be minimized to enhance the separation. The Legislature regards the separation of maximum security prisoners to be an especially important objective."

This modified request is based upon construction being complete and buildings in

CARE & CUSTODY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	300.45	300.45	340.53	379.78

operation by January 1, 1986. Personal Services and operating costs include six months of costs in FY86 and a full year of costs in FY87. Montana State Prison has identified 78.5 additional FTEs needed to operate the expanded prison.

The cost of landscaping, painting, new equipment and other construction related items have not been included in this budget recommendation. These are items which should be provided for by building contingency funds. Any additional funds for these items will require legislative authorization:

Expansion Costs: FY 1986 - $ 962,864 FY 1987 - $1,902,874

Expansion FTE: FY 1986 - 39.25 FY 1987 - 78.50

Funding Change
Physician position. This modified budget request adds 1.00 FTE plus funding to program 12 (Care and Custody) at Montana State Prison and reduces the funding in Program 47 (Corrections Medical Budget). The 48th Legislature funded Program 47 to pay contracted medical services and medical expenses within the Corrections Division. The funding included the cost of paying contracted medical doctors providing services at Montana State Prison. In FY84 this contract was not renegotiated. To provide medical doctor coverage a physician was hired and paid out of the Corrections Medical Budget. This modified request transfers the funding from the Corrections Medical Budget to the Care and Custody program at the prison to pay for the costs of this physician position.

Cost: FY 1986 - $ 76,967 FY 1987 - $ 77,183

FTE: FY 1986 - 1.00 FY 1987 - 1.00

Title I Education Grant. In FY84 and FY85 Montana State Prison processed budget amendments to receive appropriation authority to spend federal block grant money which is administered through the Office of Public Instruction. This Title I program is designed to improve the age/grade level attainment of certain students at Montana State Prison who are below normal age/grade attainment. There are no matching funds needed and there is no ascertainable present or future commitment for any general fund support.
In the event the revenue exceeds the figures projected for this program appropriation language is requested to allow a future budget amendment.

Cost: FY 1986 - $ 3,660 FY 1987 - $ 3,660

Title II Education Grant. In FY85 a budget amendment was processed to receive appropriation authority to spend this federal block grant money which is available through the Office of Public Instruction. This Chapter II program is designed to improve the age/grade level attainment of certain students at Montana State Prison. There are no matching funds needed and there is no ascertainable present or future commitment for any general fund support.

Cost: FY 1986 - $ 603 FY 1987 - $ 603

RANCH & DAIRY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	18.00	18.00	15.75	15.75
Personal Services	418,890.70	470,923	416,224	417,455
Operating Expenses	803,931.82	762,177	698,576	696,251
Equipment	435,916.50	220,000	604,350	599,850
Capital Outlay	72,185.47	0	0	0
Total Program Costs	$1,730,924.49	$1,453,100	$1,719,150	$1,713,556
Proprietary Fund	1,730,924.49	1,453,100	1,719,150	1,713,556
Total Funding Costs	$1,730,924.49	$1,453,100	$1,719,150	$1,713,556
Current Level Services	1,505,003.16	1,453,100	1,295,647	1,290,053
Modified Level Services	225,921.33	0	423,503	423,503
Total Service Costs	$1,730,924.49	$1,453,100	$1,719,150	$1,713,556

Program Description

The Ranch and Dairy Program is a self-sustaining program that provides beef, milk, and other products to the prison and other institutions. The program also provides work experience for the inmates.

Budget Issues

The Prison Ranch and Dairy is funded entirely on a revolving basis. The Ranch and Dairy's continued operation depends upon its ability to generate funds from goods produced and marketed. There is not a major change in operations or customers anticipated for this program. The equipment request for the Ranch and Dairy has been reviewed by the Legislative Ranch Advisory Committee and placed in priority order. The actual amount of equipment purchased as recommended in this budget depends upon the Ranch and Dairy's ability to generate the funds to purchase these items.

Position transfers. In FY84 18.00 FTE were authorized in the Prison Ranch and Dairy program. A .50 FTE Accountant position was transferred from the Ranch and Dairy to program 22 (Industries Training). Another .50 FTE Accounting position was transferred to program 17 (Prison Industries). Also, a .25 FTE Truck Driver position was moved to program 17 in order to allocate to Prison Industries the Ranch and Dairy's share of delivery expenses.

Position Reduction. A 1.00 FTE Correctional Officer position was vacant throughout FY84. This position has been deleted from this program budget request.

Modification Requests

Expanded Service
In FY84 and FY85 a budget amendment was processed to allow the Prison Ranch authority to expend proprietary funds to purchase cattle on the open market and use

RANCH & DAIRY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	18.00	18.00	15.75	15.75

them for slaughterhouse operations.

The prison cattle cycle is such that at certain periods during the year there are not sufficient quantities of cattle available at the proper slaughter weights This results in the inefficient practice of slaughtering underweight cattle. Based upon approval by the Ranch Advisory Committee it was decided that prison ranch cattle should be sold on the open market and that cattle of the proper weight should be purchased for processing. Since large cash transactions are involved with the above procedure the Ranch and Dairy needs additional spending authority to avoid overspending existing authority.

Cost: FY 1986 - $348,300 FY 1987 - $348,300

Expanded Service
Cheese Contract. In January 1984 the Prison Ranch entered into a contract to process surplus cheese from the USDA. Spending authority is recommended to enable the Prison Ranch to continue this contract.

Cost: FY 1986 - $ 75,203 FY 1987 - $ 75,203

LICENSE PLATE FACTORY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	2.00	2.00	2.00
Personal Services	48,099.55	52,246	50,381	50,401
Operating Expenses	245,596.48	470,649	326,134	375,367
Total Program Costs	$293,696.03	$522,895	$376,515	$425,768
State Special Revenue Fund	293,696.03	522,895	376,515	425,768
Total Funding Costs	$293,696.03	$522,895	$376,515	$425,768
Current Level Services	293,696.03	522,895	376,515	425,768
Total Service Costs	$293,696.03	$522,895	$376,515	$425,768

Program Description

The License Plate Factory Program is responsible for manufacturing all license plates for the state of Montana. The program provides work experience for inmates at the prison. Funding for this program comes from the Department of Justice with the on-site technical administration and assistance provided by the industries program.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

PRISON INDUSTRIES REVOLVING AC BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.00	7.00	4.25	4.25
Personal Services	125,985.55	168,492	111,396	111,508
Operating Expenses	251,830.69	314,426	298,355	295,481
Equipment	5,000.69	0	0	0
Total Program Costs	$382,816.93	$482,918	$409,751	$406,989
Proprietary Fund	382,816.93	482,918	409,751	406,989
Total Funding Costs	$382,816.93	$482,918	$409,751	$406,989
Current Level Services	382,816.93	482,918	409,751	406,989
Total Service Costs	$382,816.93	$482,918	$409,751	$406,989

Program Description

The Prison Industries Program currently provides work experience in the following areas: furniture construction and repair, upholstery, drafting, printing and post-pole manufacturing. Products from the program are currently sold to other governmental entities and non-profit corporations.

Budget Issues

Position transfers. The Prison Industries program is on a revolving account. Certain positions have been transferred from this program to other prison programs. These positions have duties relative to the Industries program. By this means, other prison programs can pay for services they receive from Prison Industries. This will help the Prison Industries program to maintain solvency.

Specifically, half of the Industries Production Manager position (.50 FTE) was transferred from the Prison Industries program to the Prison Industries Training program (22). This action was taken because the duties of this position are evenly split between these two programs. Two shop supervisors (2.00 FTE) were transferred from this program to the Prison Care and Custody program where their work is directly related. A total of (.75 FTE) from three positions was transferred to the Prison Industries program from the Prison Ranch and Dairy. This transfer involves a (.25 FTE) Accountant, a (.25 FTE) Accounting Technician, and a (.25 FTE) Delivery Truck Driver. This enables the Prison Industries program to pay for the accounting and delivery services they receive from the Prison Ranch and Dairy.

Position deletion. An Industries Technician position (1.00 FTE) was deleted from this program since it was vacant throughout FY84 and is no longer necessary.

All of these position changes within the Prison Industries program can be shown as follows:

Prison Industries (Program 17) FTE Changes

PRISON INDUSTRIES REVOLVING AC BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.00	7.00	4.25	4.25

FY84 Authorized FTE	7.00
FTE transferred to program 22 (Industries Training)	(.50)
FTE transferred to program 12 (Care & Custody)	(2.00)
FTE transferred from program 15 (Ranch & Dairy)	.75
FTE deleted	(1.00)
Total FTE proposed for FY86 and FY87	4.25

PRISON CANTEEN BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	288,786.71	450,439	373,370	410,848
Total Program Costs	$288,786.71	$450,439	$373,370	$410,848
State Special Revenue Fund	288,786.71	450,439	373,370	410,848
Total Funding Costs	$288,786.71	$450,439	$373,370	$410,848
Current Level Services	288,786.71	450,439	373,370	410,848
Total Service Costs	$288,786.71	$450,439	$373,370	$410,848

Program Description

The Prison Canteen Program provides small store services and merchandise for inmates at the Montana State Prison.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

PRISON INDSTRS TRAINING PROGRA BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	5.00	5.00	2.75	2.75
Personal Services	3,750.16	119,574	81,078	81,172
Operating Expenses	65,495.55	222,537	269,728	236,877
Equipment	21,066.28	0	12,140	0
Total Program Costs	$90,311.99	$342,111	$362,946	$318,049
General Fund	69,593.64	128,549	168,019	155,421
Proprietary Fund	20,718.35	213,562	194,927	162,628
Total Funding Costs	$90,311.99	$342,111	$362,946	$318,049
Current Level Services	77,207.36-	342,111	336,983	292,086
Modified Level Services	167,519.35	0	25,963	25,963
Total Service Costs	$90,311.99	$342,111	$362,946	$318,049

Program Description

The Prison Industries Training Program was established by an act passed during the second special session of the 1981 Legislature. This program provides vocational on-the-job training and work experience for prison inmates. The program is limited to providing services and producing equipment only for state agencies, local governments, school districts and governmental entities. The objectives and functions of this program are provided for in 53-30-131 through 53-30-133 MCA.

Budget Issues

The Second Special Session of the 1981 Legislature directed the Department of Institutions to study and propose an Industries Training program at the Montana State Prison. A training program was proposed to and approved by the 1983 Legislature.

During FY84 the initial phases of the program began. FY84 is not a representative year for the program and the majority of operating expenditures were zero-based to reflect the exposure anticipated in FY85 and thereafter.

The general fund allowed in this program covers the cost of Personal Services plus some of the operational costs. The remainder of the program costs are expected to be generated by proprietary funds.

Position deletions. There were 3.00 FTE deleted from this program. This includes 2.00 FTE that were Industries Shop Supervisor positions. The other 1.00 FTE deleted was an Institutions Teacher position.

Position Reductions. The Horticulturist position was reduced from a 1.00 FTE to a .75 FTE. This position is responsible for training inmates in horticulture and gardening.

PRISON INDSTRS TRAINING PROGRA BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	5.00	5.00	2.75	2.75

Position transfers. The Industries Training program received a .25 FTE Accountant and a .25 FTE Accounting Technician from the Prison Ranch and Dairy. The purpose of these transfers was to allow the Industries Program to pay for their portion of the accounting work performed for them by Ranch and Dairy administrative personnel.

A .50 FTE Production Manager is maintained in the Industries Training program. The other .50 FTE of this position is located in the Prison Industries program (17).

Modification Request

New Service
The modified budget for the Montana State Prison expansion did not include budget figures for utilities for the Industries Vocational Training Building. The estimated amount for these utilities is based upon a 16,000 square foot building at the most recent utility rates.

Cost: FY 1986 - $ 25,963 FY 1987 - $ 25,963

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	26.33	26.33	26.83	26.83
Personal Services	608,659.97	616,631	643,831	644,897
Operating Expenses	239,669.72	281,670	254,403	249,951
Equipment	11,338.70	2,815	21,394	3,650
Total Agency Costs	$859,668.39	$901,116	$919,628	$898,498
General Fund	787,553.53	821,875	829,938	806,271
State Special Revenue Fund	39,673.55	50,475	52,238	52,738
Federal & Other Spec Rev Fund	32,441.31	28,766	37,452	39,489
Total Funding Costs	$859,668.39	$901,116	$919,628	$898,498
Current Level Services	851,534.08	901,116	903,696	880,679
Modified Level Services	8,134.31	0	15,932	17,819
Total Service Costs	$859,668.39	$901,116	$919,628	$898,498

Agency Description

The Swan River Youth Forest Camp is responsible for developing and maintaining a rehabilitation-oriented program for the youthful offenders (ages 16 through 26) committed to its care and custody. The staff works cooperatively with the Division of Forestry, Department of State Lands. The program for these offenders includes fair and humane treatment in a minimally restrictive setting. The staff provides educational opportunities, psychological services, work programs, training in living skills, and realistic planning for each youth's return to the community. This facility is provided for in section 53-30-202, MCA.

Budget Issues

Modification Requests

Expanded Services
Title I Education Grant. A .50 FTE is recommended to fund a Teacher Aide position. These are federal funds granted to provide educational instruction to the inmates.

Cost: FY 1986 - $ 8,529 FY 1987 - $ 8,532

FTE: FY 1986 - .50 FY 1987 - $ .50

Vocational Education Grant. This federally funded grant is recommended for approval. These funds are to be used in providing supplies and equipment for the vocational education program at the Swan River Youth Forest Camp.

Cost: FY 1986 - $ 7,403 FY 1987 - $ 9,287

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	65.68	74.00	74.50	74.50
Personal Services	1,160,602.21	1,355,429	1,360,111	1,364,645
Operating Expenses	348,583.35	444,816	491,601	484,217
Equipment	22,099.00	1,431	0	8,520
Total Agency Costs	$1,531,284.56	$1,801,676	$1,851,712	$1,857,382
General Fund	556,408.77	535,560	543,761	548,171
Federal & Other Spec Rev Fund	974,875.79	1,266,116	1,307,951	1,309,211
Total Funding Costs	$1,531,284.56	$1,801,676	$1,851,712	$1,857,382
Current Level Services	1,531,284.56	1,801,676	1,838,737	1,844,402
Modified Level Services	0.00	0	12,975	12,980
Total Service Costs	$1,531,284.56	$1,801,676	$1,851,712	$1,857,382

Agency Description

The Veterans' Home provides a home for qualified veterans, and in some instances, for spouses of eligible veterans. In addition to the domiciliary, there is extended care avaiable for those requiring nursing care. This facility is provided for in 10-2-401 through 10-2-404, MCA.

Budget Issues

This budget recommendation reflects staffing and operational costs for the new wing at the Montana Veterans' Home. The new wing became operational in the last 3 months of FY84 and is budgeted for the entire year during FY86 and FY87. The new wing facilitates 50 new beds. There were 14 beds in the old domicillary unit which was closed down when the new wing was completed in FY84. Thus, there is a net increase of 36 beds for additional residents.

The Veterans' Home is budgeted for an average daily population (ADP) of 137 members in FY86 and FY87. This reflects 74 members in domicillary and 63 members in nursing.

The full time employees (FTE) increased from 65.68 in FY84 to 74.00 in FY86 and FY87 in the current level budget. This is an increase of 8.32 FTE which are necessary to staff the new wing.

Modification Request

New Service
Pharmacist position. The funding for an additional .50 FTE Pharmacist is recommended for this Institution. This would bring the facility's total FTE to 74.50. Historically, the Veterans' Administration has provided free prescriptions to eligible veterans at the home. The administrator of the Veterans' Home was notified by the Veterans' Administration at Fort Harrison in June 1984 that this

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	65.68	74.00	74.50	74.50

practice would be discontinued. In order to continue the pharmaceutical services provided to the members, a half-time pharmacist is recommended.

The option to this request is to have members purchase their prescriptions locally for the full retail cost and reduce their board bills. This would result in a decrease in third party reimbursement of revenue to the State. The loss of such revenues would result in increased general fund support or discontinued services. However, standards require that pharmaceuticals be properly dispensed by a pharmacist.

Costs: FY86 - $ 12,975 FY87 - $ 12,980

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	755.60	707.20	703.60	703.60
Personal Services	16,494,531.70	16,055,885	16,393,068	16,452,979
Operating Expenses	3,046,313.17	3,478,775	3,089,705	3,074,298
Equipment	24,040.33	26,479	33,257	9,286
Total Agency Costs	$19,564,885.20	$19,561,139	$19,516,030	$19,536,563
General Fund	17,876,122.74	17,838,961	17,805,503	17,826,036
State Special Revenue Fund	1,634,833.27	1,704,281	1,705,424	1,705,424
Federal & Other Spec Rev Fund	53,929.19	17,897	5,103	5,103
Total Funding Costs	$19,564,885.20	$19,561,139	$19,516,030	$19,536,563
Current Level Services	19,525,339.47	19,561,139	19,504,147	19,524,680
Modified Level Services	39,545.73	0	11,883	11,883
Total Service Costs	$19,564,885.20	$19,561,139	$19,516,030	$19,536,563

Agency Description

The Montana State Hospital performs three treatment functions: 1) psychiatric care and treatment on the Warm Springs campus, 2) medical care on the Galen campus and 3) chemical dependency rehabilitative care on the Galen campus. The psychiatric program serves mentally ill persons who cannot be appropriately treated in community programs. The medical care unit provides hospital and long term care for Montana State Hospital patients who have serious medical conditions and also provides detoxification for chemically dependent admissions. The chemical dependency unit provides a 28-day alcoholism rehabilitation program and a long term program for individuals with other drug dependencies.

Budget Issues

The Children's Unit at the Montana State Hospital will be discontinued by FY86. As a result, 42.00 FTE have been deleted from this budget. Also, various operational costs associated with the Children's Unit were eliminated from this recommendation.

The thirty residents of the Children's Unit will be transferred to the Montana Youth Treatment Center in Billings when that facility is completed in the later part of FY85.

The Montana State Hospital includes both the Warm Springs and the Galen campuses. This budget was built from the FY84 actual base.

Position reductions. Four positions (4.00 FTE) were vacant throughout FY84 and have been eliminated from this budget recommendation. These positions include a Psychologist, an Executive Chef, a Dietician and a Cook.

Modification Requests

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	755.60	707.20	703.60	703.60

Expanded Service

Donated funds. The Office of The Legislative Auditor recommends placing donated funds in the State Special Revenue account instead of the Agency Fund account. It is necessary to place language in the appropriations bill to allow authority to expend these funds. These funds are used for various activities, Christmas gifts and other items for the residents.

Cost: FY 1986 - $ 11,883 FY 1987 - $ 11,883

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	4.00	4.00	4.00	4.00
Personal Services	114,979.35	114,664	122,434	122,538
Operating Expenses	32,210.55	33,584	41,208	39,325
Equipment	662.45	0	0	0
Total Agency Costs	$147,852.35	$148,248	$163,642	$161,863
General Fund	147,852.35	148,248	163,642	161,863
Total Funding Costs	$147,852.35	$148,248	$163,642	$161,863
Current Level Services	147,852.35	148,248	152,622	150,843
Modified Level Services	0.00	0	11,020	11,020
Total Service Costs	$147,852.35	$148,248	$163,642	$161,863

Agency Description

The Board of Pardons consists of three regular members and an auxiliary member appointed by the Governor with the advice and consent of the Senate. The board is responsible for the release of inmates on parole and furlough, and reviews and makes recommendations to the Governor on all cases of executive clemency. The board endeavors to secure the effective application and improvement of the Parole and Probation System and the laws upon which it is based. The board is allocated to the Department of Institutions for administrative purposes. Statutory authority of the board is found in sections 2-15-2302 and 46-23-104, MCA.

Budget Issues

Modification Request

New Services
The modified request is to provide funding for additional travel to hold hearings at three established centers and the two new pre-release centers which were opened during FY84. The opening of these two centers has increased the number of out-of-prison cases the Board must hear as the centers take inmates with a relatively short time to serve before parole eligibility or discharge.

Each hearing will be attended by two Board members. One member will be a consistent member of all hearing panels. The second member will be the one closest to the site of each hearing.

Because of the increased number of hearings required, the additional cost for meals, lodging and per diem are also recommended.

Cost: FY 1986 - $ 11,020 FY 1987 - $ 11,020

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	109.43	112.26	112.26
Personal Services	0.00	1,658,660	2,151,603	2,155,455
Operating Expenses	0.00	159,626	407,607	397,462
Equipment	0.00	33,708	0	0
Total Agency Costs	$0.00	$1,851,994	$2,559,210	$2,552,917
General Fund	0.00	1,813,983	2,521,199	2,514,906
Federal & Other Spec Rev Fund	0.00	38,011	38,011	38,011
Total Funding Costs	$0.00	$1,851,994	$2,559,210	$2,552,917
Current Level Services	0.00	1,851,994	2,506,564	2,500,249
Modified Level Services	0.00	0	52,646	52,668
Total Service Costs	$0.00	$1,851,994	$2,559,210	$2,552,917

Agency Description

The Montana Youth Treatment Center is a 60-bed facility which provides inpatient psychiatric treatment for seriously emotionally disturbed youth. The Center provides a full range of mental health treatment services and, in addition, offers education, recreation, and vocational counseling programs.

Budget Issues

The Montana Youth Treatment Center is a new facility being constructed in Billings. The center is expected to be fully operational by July 1, 1985. Thus, the FY86 and FY87 budget recommendations reflect a full year of staffing and operational costs. This new center will be a licensed facility and will make the State eligible for medicaid reimbursement. Thirty of the emotionally disturbed youth will be transferred from the Montana State Hospital children's unit. The other thirty residents will come from the various communities throughout the State.

Since this is a new facility, much of the supplies and operational costs were computed utilizing data obtained from comparable institutions within the department.

The 109.43 FTE requested in current level was the amount of staffing authorized by the legislature for FY85. A full year of operation is expected in FY86 and FY87 and a full staff of 112.26 FTE will be required. Thus, the additional 2.83 FTE will be included as a modified request.

A problem will arise if commitments to the new center are made when it is already full. This is most likely to occur if the center is viewed as a convenient place to send troublesome youth who are not seriously mentally ill. The center is neither designed nor staffed to care for more than 60 youth at one time. The center is intended only for youth who are seriously mentally ill.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	.00	109.43	112.26	112.26

Modification Request

New Service
The new Youth Treatment Center is expected to open in the later portion of FY85. The FTE authorized for FY85 is 109.43 but does not reflect a full year's operations. Thus, 2.83 FTE are recommended for FY86 and FY87 to reflect a full staff of 112.26 FTE as was deemed necessary by the previous legislature.

Costs: FY86 - $ 52,646 FY87 - $ 52,668

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	233.63	232.83	250.33	251.33
Personal Services	5,618,748.20	6,117,973	6,719,589	6,754,763
Operating Expenses	5,193,945.32	6,127,204	6,839,555	6,880,273
Equipment	183,728.97	80,141	182,734	54,714
Local Assistance	40,000.00	39,000	0	0
Grants	35,950,024.66	30,970,281	53,459,100	54,537,426
Transfers	0.00	249,015	0	0
Total Agency Costs	$46,986,447.15	$43,583,614	$67,200,978	$68,227,176
General Fund	9,479,584.05	6,410,263	7,560,364	7,504,615
State Special Revenue Fund	26,269,003.29	15,338,381	26,956,517	24,891,578
Federal & Other Spec Rev Fund	9,026,587.84	18,904,799	29,021,350	32,123,716
Proprietary Fund	2,211,271.97	2,930,171	3,662,747	3,707,267
Total Funding Costs	$46,986,447.15	$43,583,614	$67,200,978	$68,227,176
Current Level Services	46,986,447.15	43,583,614	65,398,235	66,362,391
Modified Level Services	0.00	0	1,802,743	1,864,785
Total Service Costs	$46,986,447.15	$43,583,614	$67,200,978	$68,227,176

Agency Description

The Department of Commerce was established by section 2-15-1801, MCA, to encourage and promote commerce-related activities in Montana through a wide spectrum of programs. Some of the programs are designed to foster stable, diversified economic development by providing various types of assistance to businesses wishing to develop or expand within the state. An integral part of the department's mission is the maintenance and development of transportation systems that will provide a cost-effective means of bringing commercial products to local, national, and international markets.

Other programs within the department exist to provide financial and technical assistance to counties and communities in which the local tax base is inadequate or where rapid development has affected the ability of those entities to provide essential services to their citizens.

The department also includes provision for licensing certain professional and occupational business men and women to insure a high standard of service to the citizens of Montana.

In addition, other programs are designed to provide assurance to consumers regarding the price, quantity and quality of various retail and wholesale commodities.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	233.63	232.83	250.33	251.33

Budget Issues

This department houses many of the programs funded as part of the Build Montana program by the 1985 legislature. These programs are primarily contained in Montana Promotion, Business Assistance, and the Economic Policy and Research programs.

BUS LIC & REG-PROGRAM SUPPORT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.30	2.30	2.30	2.30
Personal Services	66,462.25	79,097	68,872	68,998
Operating Expenses	10,561.61	22,474	16,369	14,878
Equipment	31.20	89	0	0
Total Program Costs	$77,055.06	$101,660	$85,241	$83,876
General Fund	19,917.00	34,730	22,165	21,810
State Special Revenue Fund	57,138.06	66,930	63,076	62,066
Total Funding Costs	$77,055.06	$101,660	$85,241	$83,876
Current Level Services	77,055.06	101,660	85,241	83,876
Total Service Costs	$77,055.06	$101,660	$85,241	$83,876

Program Description

The Business Licensing and Regulation Program Support Program provides staff to supervise the direction of the regulatory and licensing functions performed by the Milk Control Bureau, the Professional and Occupational Licensing Bureau, and the Weights and Measures Bureau.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

WEIGHT & MEASURES BUREAU BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	12.00	12.00	12.00	12.00
Personal Services	275,848.44	282,788	300,728	290,590
Operating Expenses	124,054.99	132,385	144,373	135,520
Equipment	14,300.37	13,410	22,000	5,298
Total Program Costs	$414,203.80	$428,583	$467,101	$431,408
General Fund	414,203.80	428,583	467,101	431,408
Total Funding Costs	$414,203.80	$428,583	$467,101	$431,408
Current Level Services	414,203.80	428,583	467,101	431,408
Total Service Costs	$414,203.80	$428,583	$467,101	$431,408

Program Description

The staff of the Weights and Measures Bureau test and inspect all weighing and measuring devices and calibrate all weights and measures. The bureau staff are also responsible for quality control of petroleum products. They investigate complaints concerning violations of weights and measures laws and regulations; regulate labeling, advertising, and quantity control of prepackaged products; license all state petroleum dealers; and collect license and scale test fees.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

FINANCIAL DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	19.00	19.00	21.00	21.00
Personal Services	482,150.86	494,741	564,643	565,293
Operating Expenses	174,413.13	184,863	225,641	226,170
Equipment	980.08	910	1,737	550
Total Program Costs	$657,544.07	$680,514	$792,021	$792,013
General Fund	657,544.07	680,514	0	0
State Special Revenue Fund	0.00	0	792,021	792,013
Total Funding Costs	$657,544.07	$680,514	$792,021	$792,013
Current Level Services	657,544.07	680,514	728,515	729,393
Modified Level Services	0.00	0	63,506	62,620
Total Service Costs	$657,544.07	$680,514	$792,021	$792,013

Program Description

The Financial Division consists of the State Banking Board and Department of Commerce staff who are responsible for chartering, licensing, supervising, and examining state banks, savings and loan associations, credit unions, consumer loan licensees, and sales finance companies. They act as guardian of the public's interests in Montana's financial institutions and seek to prevent loss resulting from mismanagement or insolvency of state financial organizations. Statutory authority for these functions resides in Title 32 of the MCA.

Budget Issues

Modification Request

Workload Increases
The recommended budget includes an additional 2.0 FTE bank examiners. Over the past 8 years, the number of banks has grown from 99 to 112, while the assets of these banks have increased from $1.4 billion to $3.2 billion. The additional bank examiners will allow this division to meet the statutory requirement of examining all banks annually.

Cost: FY 1986 - $ 63,506 FY 1987 - $ 62,620

Funding Changes
In the past this division was funded from the general fund and fees charged to banks were deposited into the general fund. The fees collected covered approximately 80% of the costs of this division. The recommended budget funds this division entirely from fees collected from banks. Legislation will be introduced to allow the division to recover 100% of its costs, and to retain those fees rather than depositing them to the general fund.

MILK CONTROL BUREAU BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	8.00	8.00	8.00	8.00
Personal Services	173,657.49	180,646	181,252	181,655
Operating Expenses	70,832.89	83,566	87,343	85,713
Equipment	183.14	108	0	0
Total Program Costs	$244,673.52	$264,320	$268,595	$267,368
State Special Revenue Fund	244,673.52	264,320	268,595	267,368
Total Funding Costs	$244,673.52	$264,320	$268,595	$267,368
Current Level Services	244,673.52	264,320	268,595	267,368
Total Service Costs	$244,673.52	$264,320	$268,595	$267,368

Program Description

The staff of the Milk Control Bureau are responsible for regulating the production, transportation, processing, storage, distribution and sale of milk. Intelligent production and orderly marketing of milk and cream products are encouraged to guarantee an adequate supply of healthful milk to the consuming public at the least possible cost.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

POL BUREAU BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	35.49	35.49	38.49	39.49
Personal Services	824,592.60	836,200	972,911	1,007,516
Operating Expenses	864,047.51	930,252	1,138,682	1,167,984
Equipment	12,464.68	2,885	83,546	11,742
Grants	1,500.00	3,500	2,500	2,500
Transfers	0.00	249,015	0	0
Total Program Costs	$1,702,604.79	$2,021,852	$2,197,639	$2,189,742
State Special Revenue Fund	1,702,604.79	2,021,852	2,197,639	2,189,742
Total Funding Costs	$1,702,604.79	$2,021,852	$2,197,639	$2,189,742
Current Level Services	1,702,604.79	2,021,852	2,044,645	2,075,211
Modified Level Services	0.00	0	152,994	114,531
Total Service Costs	$1,702,604.79	$2,021,852	$2,197,639	$2,189,742

Program Description

The Professional and Occupational Licensing Bureau is designed to provide the administrative and clerical services required by the professional licensing boards. Services provided by the bureau include correspondence, application processing, issuing licenses, renewing licenses, monitoring continuing education, investigating complaints, administering and grading examinations, taking minutes of board meetings and maintaining board records. Services are provided to the following thirty boards:

Board of Athletics
Board of Architects
Board of Barbers
Board of Chiropractors
Board of Cosmetologists
Board of Dentistry
State Electrical Board
Board of Hearing Aid Dispensers
Board of Horse Racing
Board of Landscape Architects
Board of Medical Examiners
Board of Morticians
Board of Nursing
Board of Nursing Home Administrators
Board of Optometrists
Board of Pharmacists
Board of Physical Therapy Examiners
Board of Plumbers
Board of Polygraph Licensing Private Investigators
Board of Professional Engineers and Land Surveyors
Board of Psychologists
Board of Public Accountants
Board of Radiologic Technologists
Board of Realty Regulation
Board of Sanitarians
Board of Social Workers
Board of Speech Pathologists and Audiologists
Board of Veterinarians
Board of Water Well Contractors

POL BUREAU BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	35.49	35.49	38.49	39.49

Budget Issues

Modification Requests

Workload Increase

The recommended budget includes an expansion in the board of electricians, the board of nursing, the board of cosmetologists, and in the professional and occupational administration. The three boards are all impacted by greater workload due to increased practitioners. The administration expansion includes a 1.0 FTE receptionist and data processing equipment to automate and standardize the licensing processes of all boards. This expansion was also recommended by the Legislative Auditor, and is funded from fees collected by each board.

			FTE	
Cost:	FY 1986	FY 1987	1986	1987
Cosmetologists	$ 38,603	$ 29,903	1.0	1.0
Electricians	31,465	31,473	1.0	1.0
Nursing	0	31,625		1.0
Administration	82,926	21,530	1.0	1.0
Total	$152,994	$114,531	3.0	4.0

DIVISION OF AERONAUTICS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	12.84	12.84	13.84	13.84
Personal Services	338,235.62	333,158	365,219	365,786
Operating Expenses	298,381.77	328,043	368,702	357,531
Equipment	50,832.99	45,400	23,400	23,200
Local Assistance	40,000.00	39,000	0	0
Grants	10,940.27	34,000	10,940	10,940
Total Program Costs	$738,390.65	$779,601	$768,261	$757,457
State Special Revenue Fund	631,638.86	689,085	642,869	632,040
Proprietary Fund	106,751.79	90,516	125,392	125,417
Total Funding Costs	$738,390.65	$779,601	$768,261	$757,457
Current Level Services	738,390.65	779,601	714,788	703,832
Modified Level Services	0.00	0	53,473	53,625
Total Service Costs	$738,390.65	$779,601	$768,261	$757,457

Program Description

The Division of Aeronautics consists of the Aeronautics Board and two bureaus. The Aeronautics Board, allocated to the department for administrative purposes, advises on matters pertaining to aeronautics.

The Airport/Airways Bureau staff provide technical and financial assistance to communities in airport development, navigational aid development, communications, aviation safety and airport planning. Program staff plan, establish, operate and maintain the state-owned system of airports, navigational aids and communications facilities.

The staff of the Safety and Education Bureau enforce state law on pilot and aircraft registration, provide search and rescue for lost aircraft, aid the aviation community and education systems in upgrading aviation qualifications, furnish aviation information and education materials to high school and college level students who wish to study aviation for a career, provide eight college accredited summer workshops, and inspect and approve Veterans' Administration flight schools for training veterans in Montana.

Budget Issues

Modification Requests

New Services
The Aeronautics division has been required by the courts to begin inspection of Montana airports. This function is not currently done and will result in an additional FTE and related operating expenses.

Cost: FY 1986 - $53,473 FY 1987 - $53,625

DIVISION OF AERONAUTICS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	12.84	12.84	13.84	13.84

Policy Issue

Legislation will be introduced by the Board of Aeronautics to increase the aviation fuel tax from 1 cent per gallon to 4 cents per gallon. The recommended budget assumes the passage of this legislation. If aviation fuel taxes are not increased, this division's budget must be reduced by approximately $200,000 in each year of the 1987 biennium.

TRANSPORTATION DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.91	16.00	16.00	16.00
Personal Services	438,376.99	479,121	475,144	475,939
Operating Expenses	352,674.84	270,448	201,093	197,874
Equipment	14,386.13	489	2,336	380
Grants	748,690.80	5,056,000	2,596,408	2,588,484
Total Program Costs	$1,554,128.76	$5,806,058	$3,274,981	$3,262,677
General Fund	564,540.94	382,825	408,622	404,243
State Special Revenue Fund	75,000.00	75,000	75,000	75,000
Federal & Other Spec Rev Fund	914,587.82	5,348,233	2,791,359	2,783,434
Total Funding Costs	$1,554,128.76	$5,806,058	$3,274,981	$3,262,677
Current Level Services	1,554,128.76	5,806,058	3,274,981	3,262,677
Total Service Costs	$1,554,128.76	$5,806,058	$3,274,981	$3,262,677

Program Description

The Transportation Division's purpose is to maintain and develop effective transportation systems in Montana. The division staff provide technical, legal, planning, and financial assistance to transportation users, providers and local governments. They are responsible for rate analysis and development of cost models to assess changes in transportation rates and systems.

Division staff also contribute recommendations for development of Montana's transportation system. This is accomplished through various state and federal programs of technical and financial assistance designed to assist shippers, agriculture, the rail and trucking industries, inter-city passenger carriers, urban public transportation, and other transportation providers and users. The division is also charged with administering the State Rail Plan and maintaining Montana's eligibility for general railroad assistance funding.

Budget Issues

The general fund decreases from the 1984 level due to a supplemental situation which was necessary to represent the state in a lawsuit against Burlington Northern regarding the Geraldine-Denton branch line. The 1987 biennium budget does not include these one-time expenditures.

BUSINESS ASSISTANCE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.00	11.33	11.00	11.00
Personal Services	264,384.95	280,814	344,601	345,217
Operating Expenses	340,439.32	382,670	574,317	574,173
Equipment	12,474.75	114	5,890	5,000
Grants	63,094.00	164,770	0	0
Total Program Costs	$680,393.02	$828,368	$924,808	$924,390
General Fund	648,559.62	828,368	923,308	922,890
Federal & Other Spec Rev Fund	31,833.40	0	1,500	1,500
Total Funding Costs	$680,393.02	$828,368	$924,808	$924,390
Current Level Services	680,393.02	828,368	870,366	870,789
Modified Level Services	0.00	0	54,442	53,601
Total Service Costs	$680,393.02	$828,368	$924,808	$924,390

Program Description

The Business Assistance Program staff provide technical assistance to new and existing Montana businesses and provide information to facilitate the movement of new businesses to Montana through the following programs.

The Licensing Coordination Center - assists businesses in understanding and completing all licensing requirements necessary to open or remain in business.

The Export Trade Assistance Program - aids businesses in marketing their products outside the United States.

The Business Development Assistance Program - gives management and technical assistance to new or expanding businesses on request.

The Local Development Corporation Program - assists communities in setting up local development corporations to provide financial assistance to new or expanding businesses and to promote their communities for business development.

This program also provides business research and statistics.

Budget Issues

The FTE level has increased 1.0 above the 1984 level due to a position transferred into this program from the travel promotion unit. Operating expenses increase over the 1984 base because the assistance programs funded under the Build Montana program were not fully operational during fiscal 1984. These include business development assistance, local development assistance and export trade assistance.

Modification Request

BUSINESS ASSISTANCE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.00	11.33	11.00	11.00

New Services

The recommended budget includes 1 FTE and operating expenses, (primarily travel), for a business development specialist to provide assistance to women-owned or operated businesses. These services include technical assistance, promotion of cooperative marketing and outreach to insure women are aware of available financial resources.

Cost: FY 1986 - $ 54,442 FY 1987 - $ 53,601

MONTANA PROMOTION BUREAU BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	12.00	13.00	11.00	11.00
Personal Services	246,913.84	261,614	251,330	251,718
Operating Expenses	1,306,601.26	1,845,675	1,730,531	1,721,085
Equipment	5,485.78	129	3,000	3,000
Total Program Costs	$1,559,000.88	$2,107,418	$1,984,861	$1,975,803
General Fund	1,265,992.18	1,407,418	1,284,861	1,275,803
Federal & Other Spec Rev Fund	293,008.70	700,000	700,000	700,000
Total Funding Costs	$1,559,000.88	$2,107,418	$1,984,861	$1,975,803
Current Level Services	1,559,000.88	2,107,418	1,984,861	1,975,803
Total Service Costs	$1,559,000.88	$2,107,418	$1,984,861	$1,975,803

Program Description

The Montana Promotion Bureau consists of two programs: the Business Promotion Program which is responsible for marketing the state of Montana as a location for new businesses; and the Travel Promotion Program, which markets the state as a vacation destination and motion picture and T.V. commercial location site.

Budget Issues

This program was substantially expanded during the last legislature as part of the Build Montana program, and received a biennial appropriation for a portion of its budget. Due to the start up time required for the expanded program, the 1984 level of expenditures is lower than is anticipated in fiscal 1985.

The FTE level decreases 1.0 FTE from the 1984 level due to a position that was transferred to the business assistance program. The proposed budget allows this program to maintain its current level of operation.

HOUSING DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.00	15.00	21.00	21.00
Personal Services	369,214.50	376,680	524,520	525,015
Operating Expenses	437,096.26	539,748	921,760	1,057,059
Equipment	6,092.07	12,415	24,177	2,254
Grants	4,524,081.90	6,083,446	7,698,808	7,698,808
Total Program Costs	$5,336,484.73	$7,012,289	$9,169,265	$9,283,136
Federal & Other Spec Rev Fund	4,743,520.93	6,354,813	7,953,855	7,952,966
Proprietary Fund	592,963.80	657,476	1,215,410	1,330,170
Total Funding Costs	$5,336,484.73	$7,012,289	$9,169,265	$9,283,136
Current Level Services	5,336,484.73	7,012,289	7,783,061	7,793,865
Modified Level Services	0.00	0	1,386,204	1,489,271
Total Service Costs	$5,336,484.73	$7,012,289	$9,169,265	$9,283,136

Program Description

The staff of the Housing Division administer the state Housing Act of 1975, the Federal Section 8 Housing Program, and the Federal Housing Block Grant. These programs provide rental assistance to low-income families who are unable to afford adequate, safe housing; promote the rehabilitation of substandard housing to assure a supply of adequate, safe housing for low-income families; and provide interest rate subsidies that enable low and moderate-income families to purchase homes.

Budget Issues

Modification Requests

New Services

Rental Rehabilitation. The recommended budget includes 1.0 FTE and Federal spending authority for the rental rehabilitation program. This program will add 120 new units of federally subsidized rental housing to Montana for eligible low income families.

Cost: FY 1986 - $1,022,133 FY 1987 - $1,022,141

Home Improvement Loans. This new program will expand subsidized loans from the board of housing into the area of home improvement. The new program will require an additional FTE and will be funded from board funds generated from bond sales.

Cost: FY 1986 - $ 47,731 FY 1987 - $ 46,849

Single Family Tax Credit Program. Federal legislation has been passed which allows the state to authorize a tax credit to homeowners rather than through the use of tax exempt bond sales and lower interest rates. This program will include 2 FTE and will be reimbursed by Federal funds based upon the number of tax credit mortgages

HOUSING DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.00	15.00	21.00	21.00

financed.

Cost: FY 1986 - $ 79,641 FY 1987 - $ 78,095

Moving Costs. It is anticipated that the Board will be moving into the new DNRC building during the 1987 biennium from the privately owned space it now occupies. A majority of the expenses is due to planned purchase of office partitions which the board will need in the new space.

Cost: FY 1986 - $ 17,502

Workload Increase
The recommended budget also includes an additional 2 FTE and operating expenses to handle the increased loan portfolio. The board intends to issue the maximum amount of bonds allowed under federal law, $200 million, in both Fiscal 1986 and 1987. This will increase the number of loans approximately 4000 above the current level.

Cost: FY 1986 - $ 219,197 FY 1987 - $ 342,186

COMMUNITY ASSISTANCE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	13.00	10.67	13.00	13.00
Personal Services	333,374.80	319,430	373,253	376,224
Operating Expenses	342,055.77	516,966	375,304	356,048
Equipment	28,782.38	1,184	2,952	199
Grants	29,226,717.69	18,253,565	41,450,444	42,536,694
Total Program Costs	$29,930,930.64	$19,091,145	$42,201,953	$43,269,165
General Fund	3,329,345.59	394,649	1,710,000	1,710,000
State Special Revenue Fund	23,557,948.06	12,194,743	22,917,317	20,873,349
Federal & Other Spec Rev Fund	3,043,636.99	6,501,753	17,574,636	20,685,816
Total Funding Costs	$29,930,930.64	$19,091,145	$42,201,953	$43,269,165
Current Level Services	29,930,930.64	19,091,145	42,201,953	43,269,165
Total Service Costs	$29,930,930.64	$19,091,145	$42,201,953	$43,269,165

Program Description

The staff of the Community Assistance Program provide assistance to communities through comprehensive analysis of the impact of mining, business development, and business closures. These analyses help communities in determining changing needs for public works, local government services and a potential means of financing those needs. The program includes the following boards and programs:

The Coal Board - provides grants to local communities where adverse impacts have occurred as a result of coal mining.

The Hard Rock Mining Board - provides analysis and mediation between communities and hard-rock mining companies so that adverse impacts resulting from the mining can be addressed and positively corrected.

The Community Development Block Grant (CDBG) Program - provides grants to communities and counties for public facilities, economic development, and housing in order to sustain healthy, viable communities in the state.

The Community Assistance Program - provides technical assistance to local governments.

The general fund shown in this budget represents $1,500,000 in each year for the local government block grant. The remainder of the general fund supports the community assistance program providing technical assistance to local government officials.

Budget Issues

The general fund declines $1.6 million from Fiscal 1984 because the 1984 local government block grant was paid with general fund appropriated for both Fiscal 1984

COMMUNITY ASSISTANCE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	13.00	10.67	13.00	13.00

and 1985 due to a cash flow problem. This was a unique situation and will not occur in the 1987 biennium. The general fund appropriation for the local government block grant is recommended at $1.5 million in each year of 1987 biennium.

The program appears to expand dramatically over the 1984 level. This is due to a requirement by the Legislative Auditor to request spending authority sufficient to cover the total outstanding balance of all loans and grants available from the division. This is requested regardless of whether it is anticipated the grant funds will actually be spent during the 1987 biennium.

The FTE level authorized by the legislature for this program is 10.67 FTE. The department reorganized in fiscal 1984 and 2.33 FTE were transferred to this program from the Business Assistance Division. The recommended budget maintains this program at 13.0 FTE.

Grants made by the Coal Board are also included in this budget. The administration will introduce legislation which reallocates a portion of the coal tax proceeds. This reallocation will lower the amount available for local impact grants from 8 3/4% to 5% of the available coal tax. It is proposed that 3 3/4% of the coal tax be used to increase the funding for the school foundation program.

ECONOMIC POLICY & RESEARCH BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.00	6.00	7.00	7.00
Personal Services	160,651.69	177,555	199,201	199,500
Operating Expenses	191,696.08	118,067	221,584	220,146
Equipment	2,420.55	108	2,290	230
Total Program Costs	$354,768.32	$295,730	$423,075	$419,876
General Fund	354,768.32	269,279	423,075	419,876
State Special Revenue Fund	0.00	26,451	0	0
Total Funding Costs	$354,768.32	$295,730	$423,075	$419,876
Current Level Services	354,768.32	295,730	423,075	419,876
Total Service Costs	$354,768.32	$295,730	$423,075	$419,876

Program Description

The staff of the Economic Policy and Research Program provides administrative direction and statistical support to the business assistance, business promotion, community impact, and travel promotion functions.

Budget Issues

The legislature authorized 6 FTE for this program in the 1985 biennium. Through departmental reorganization, 1 FTE was transferred into this program from the Montana Promotion program. It appears that the program as a whole declines substantially between fiscal 1984 and 1985. This is due to budgeting the total continuing appropriations for Build Montana programs in fiscal 1984, thus lowering the budgeted 1985 column. If the biennium appropriations were split between fiscal 1984 and 1984, expenditures would appear to be slightly increasing.

The recommended budget continues this program at its current level. Base year expenditures were low in personal services due to getting these programs fully staffed during fiscal 1984. Contracted Services are increased approximately $25,000 to allow additional contract research for the Governor's Council on Economic Development.

LOCAL GOVERNMENT AUDIT SERV. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	28.70	28.70	28.70	28.70
Personal Services	665,719.96	755,501	770,849	772,241
Operating Expenses	219,658.79	266,744	260,860	256,803
Equipment	205.00	1,000	0	0
Grants	1,375,000.00	1,375,000	1,700,000	1,700,000
Total Program Costs	$2,260,583.75	$2,398,245	$2,731,709	$2,729,044
General Fund	1,462,306.00	1,461,600	1,789,750	1,789,750
Proprietary Fund	798,277.75	936,645	941,959	939,294
Total Funding Costs	$2,260,583.75	$2,398,245	$2,731,709	$2,729,044
Current Level Services	2,260,583.75	2,398,245	2,731,709	2,729,044
Total Service Costs	$2,260,583.75	$2,398,245	$2,731,709	$2,729,044

Program Description

The staff of the Local Government Services Division perform post-audits of the financial statements of local government entities. These audits are conducted in accordance with Title 2, chapter 7, part 5 of the MCA. They are designed to protect taxpayers' interests by verifying that the financial condition and operations of the entities are responsibly reported and conducted and that all appropriate state statutes and regulations are followed. Liaison and consultant services are also provided to local governments. In addition, emergency funds for district courts are passed through this program.

Budget Issues

The general fund in this program increases over the 1984 level due to an increase in general funds for emergency district court funding. The funds for this purpose increase from $1,375,000 in Fiscal 1984 to $1,700,000 per year in Fiscal years 1986 and 1987. This funding level represents the total amount requested in fiscal 1984, thus the district court requests are fully funded in the 1987 biennium.

ACCTG & MGNT SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	9.30	9.00	9.00	9.00
Personal Services	233,145.14	311,677	249,861	250,289
Operating Expenses	120,297.03	45,235	126,327	124,588
Equipment	5.00-	0	0	0
Total Program Costs	$353,437.17	$356,912	$376,188	$374,877
General Fund	353,437.17	89,211	89,211	89,211
Proprietary Fund	0.00	267,701	286,977	285,666
Total Funding Costs	$353,437.17	$356,912	$376,188	$374,877
Current Level Services	353,437.17	356,912	376,188	374,877
Total Service Costs	$353,437.17	$356,912	$376,188	$374,877

Program Description

The Accounting and Management System exists to develop, implement and maintain uniform budgetary, accounting and reporting systems for Montana cities, towns, counties, school districts, and single purpose districts. In addition, its staff provide special accounting assistance to local government officials and on-going training for local government finance personnel.

Budget Issues

The recommended budget continues the program at the level established for fiscal 1985 by the last legislature. The legislature deleted 0.3 FTE between fiscal 1984 and 1985 reducing the total to 9.0. In addition, the program's funding source was shifted to a proprietary account beginning in fiscal 1985. The general fund was maintained to support 2 FTE and related operating expenses to allow maintenance of completed systems for cities, towns, and counties.

INDIAN AFFAIRS COORDINATOR BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	3.00	3.00	3.00	3.00
Personal Services	44,802.94	61,490	70,339	70,368
Operating Expenses	36,786.44	36,356	42,355	42,173
Equipment	625.39	0	0	0
Total Program Costs	$82,214.77	$97,846	$112,694	$112,541
General Fund	82,214.77	97,846	112,694	112,541
Total Funding Costs	$82,214.77	$97,846	$112,694	$112,541
Current Level Services	82,214.77	97,846	112,694	112,541
Total Service Costs	$82,214.77	$97,846	$112,694	$112,541

Program Description

The Coordinator of Indian Affairs identifies problems confronting the Indians of Montana, advises the Legislative and Executive branches of those problems, and makes recommendations for their alleviation. The coordinator also serves the Montana Congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesman for representative Indian organizations and groups, both public and private, whenever that support is solicited.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

The personal services cost increases over the 1984 base because the program administrator was upgraded from grade 15 to grade 18. Operating expenses were increased approximately $5,000 per year for travel because the 1984 actual level was not representative of normal travel for this program.

BONDING AUTHORITY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	5.00	5.00	7.00	7.00
Personal Services	64,246.45	230,005	241,548	242,033
Operating Expenses	137,703.04	203,101	169,871	172,670
Equipment	9,629.68	900	256	1,561
Total Program Costs	$211,579.17	$434,006	$411,675	$416,264
General Fund	194,100.98	186,405	193,737	192,155
Proprietary Fund	17,478.19	247,601	217,938	224,109
Total Funding Costs	$211,579.17	$434,006	$411,675	$416,264
Current Level Services	211,579.17	434,006	411,675	416,264
Total Service Costs	$211,579.17	$434,006	$411,675	$416,264

Program Description

The Montana Economic Development Board is a seven-member Board appointed by the Governor and is charged with implementing and operating five development finance programs authorized by the 1983 Montana Legislature. Board programs include the in-state investment of 25% of the coal tax trust fund; an umbrella revenue bonding program; a stand-alone industrial revenue bonding program; a pooled municipal bonding program; and a Montana Capital Company program.

The general fund in this program represents a portion of the expenses for the economic development board. The expenses for the health facilities authority are funded totally from bond proceeds.

Budget Issues

The FTE in the 1987 biennium increase 2.0 above the 1984 level for the health facilities board. The health facilities board has the authority under Section 90-7-203, MCA to hire staff as needed.

DIRECTOR'S OFFICE/MNGT SERVICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	18.09	17.50	20.00	20.00
Personal Services	428,361.35	443,069	536,423	537,075
Operating Expenses	109,038.18	125,747	157,502	95,143
Equipment	24,537.25	756	11,150	1,300
Total Program Costs	$561,936.78	$569,572	$705,075	$633,518
General Fund	1,663.90	1,750	1,731	1,731
Proprietary Fund	560,272.88	567,822	703,344	631,787
Total Funding Costs	$561,936.78	$569,572	$705,075	$633,518
Current Level Services	561,936.78	569,572	618,151	547,581
Modified Level Services	0.00	0	86,924	85,937
Total Service Costs	$561,936.78	$569,572	$705,075	$633,518

Program Description

The staff of the Director's Office provide the department with executive and administrative guidance. This staff acts as a liaison among private business, administratively attached boards and the Governor's Office in the effort to improve the economic climate in Montana.

The Director's Office also houses the centralized services staff which provide support to all programs in the department in the areas of budgeting, accounting, purchasing, personnel, management assistance, overall department procedures, and development and maintenance of data processing systems.

The general fund for this program supports the County Printing Board.

Budget Issues

Modification Requests

Workload Increase
Personnel. The recommended budget includes an additional 1.5 FTE in the Management Services Division. One FTE administrative officer will have the responsibilities of budgeting, budget analysis, and will assist on bond and note sales. The recommended modification also increases a half-time receptionst to full-time.

Cost: FY 1986 - $ 40,181 FY 1987 - $ 40,220

Deputy Director. During the 1983 session, a large number of new programs were added to the Department of Commerce, either as a result of reorganization, or as a part of the Build Montana program. Because of these increased responsibilities, the recommended budget includes a deputy director position.

Cost: FY 1986 - $ 46,743 FY 1987 - $ 45,717

LEGAL SERVICES BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	8.00	8.00	8.00	8.00
Personal Services	208,608.33	214,387	228,895	229,306
Operating Expenses	57,606.41	94,864	76,941	74,715
Equipment	302.53	244	0	0
Total Program Costs	$266,517.27	$309,495	$305,836	$304,021
General Fund	130,989.71	147,085	134,109	133,197
Proprietary Fund	135,527.56	162,410	171,727	170,824
Total Funding Costs	$266,517.27	$309,495	$305,836	$304,021
Current Level Services	266,517.27	309,495	300,636	298,821
Modified Level Services	0.00	0	5,200	5,200
Total Service Costs	$266,517.27	$309,495	$305,836	$304,021

Program Description

The staff of the Legal Services Program provide legal support for the department and its administratively attached boards. The Consumer Affairs Bureau staff provide enforcement of the consumer protection laws and Unfair Practices Act as a separate entity within this program. In addition, program staff establish minimum criteria for the licensing of proprietary post-secondary schools.

Budget Issues

The recommended budget reflects a decrease in general fund and an increase in proprietary fund spending authority. This is due to the transfer of a lawyer from the consumer protection unit to the legal unit. In the 1987 biennium, the consumer protection unit will pay for legal services as needed rather than to employ a lawyer. The general fund in this program supports the consumer protection unit and the public contractors licensing unit.

Modification Requests

New Services
The recommended budget included $5,200 in each year to provide funds for an emergency cease and desist program. This would be used to provide funding for emergency investigations regarding "hit and run" consumer fraud schemes that often occur too quickly for law officers to react.

Cost: FY 1986 - $5,200 FY 1987 - $5,200

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	45.25	37.00	44.00	44.00
Personal Services	1,139,850.30	992,608	1,206,101	1,208,758
Operating Expenses	374,428.75	213,676	395,511	398,651
Equipment	16,589.50	1,500	346	0
Transfers	0.00	145,287	0	0
Total Agency Costs	$1,530,868.55	$1,353,071	$1,601,958	$1,607,409
General Fund	986,624.64	1,013,719	1,062,768	1,072,008
State Special Revenue Fund	2,800.00	2,800	3,250	3,250
Federal & Other Spec Rev Fund	541,443.91	333,052	532,440	528,651
Proprietary Fund	0.00	3,500	3,500	3,500
Total Funding Costs	$1,530,868.55	$1,353,071	$1,601,958	$1,607,409
Current Level Services	1,530,868.55	1,353,071	1,584,751	1,590,194
Modified Level Services	0.00	0	17,207	17,215
Total Service Costs	$1,530,868.55	$1,353,071	$1,601,958	$1,607,409

Agency Description

This agency consists of the Commissioner's Office, the Labor Standards Division and the Appeals Division. It also includes the Human Rights Division, which is attached to the Department of Labor and Industry for administrative purposes. The agency was affected by departmental reorganization. The Appeals Division was created by combining the Board of Personnel Appeals functions and the Board of Labor Appeals functions.

COMMISSIONER OF LABOR & INDUST BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	4.00	4.00	4.00	4.00
Personal Services	120,734.82	149,109	153,547	153,807
Operating Expenses	56,709.24	10,286	36,662	35,449
Transfers	0.00	19,876	0	0
Total Program Costs	$177,444.06	$179,271	$190,209	$189,256
Federal & Other Spec Rev Fund	177,444.06	179,271	190,209	189,256
Total Funding Costs	$177,444.06	$179,271	$190,209	$189,256
Current Level Services	177,444.06	179,271	190,209	189,256
Total Service Costs	$177,444.06	$179,271	$190,209	$189,256

Program Description

The staff of the Commissioner's Office are responsible for the overall administration of the Department of Labor and Industry. This includes assuring that departmental objectives are met by providing program direction, managing human and financial resources, and representing the department on legislative matters.

Budget Issues

Operating expenses show a decrease in the 1987 biennium due to a one time consulting cost in FY84. Arthur Anderson was hired as a consultant for automation recommendations throughout the department.

There is an increase in out-of-state travel as the Commissioner is a member of the Board of Director's for the Interstate Conference of Employment Security Agencies (ICESA). Out of state travel is decreased in FY87 as Montana's term expires December 31, 1985.

LABOR STANDARDS DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.45	14.75	16.00	16.00
Personal Services	368,920.32	362,126	398,728	399,781
Operating Expenses	127,820.49	82,199	151,442	152,144
Equipment	0.00	1,500	346	0
Transfers	0.00	63,597	0	0
Total Program Costs	$496,740.81	$509,422	$550,516	$551,925
General Fund	479,213.53	488,622	547,266	548,675
State Special Revenue Fund	2,800.00	2,800	3,250	3,250
Federal & Other Spec Rev Fund	14,727.28	18,000	0	0
Total Funding Costs	$496,740.81	$509,422	$550,516	$551,925
Current Level Services	496,740.81	509,422	550,516	551,925
Total Service Costs	$496,740.81	$509,422	$550,516	$551,925

Program Description

The Labor Standards Program includes the Apprenticeship Bureau and the Labor Standards Bureau. The Apprenticeship Bureau staff administer all registered apprenticeship programs and serve as the state approval agency for on-the-job training (OJT) and apprenticeship programs. The bureau is the registration agency over apprenticeship and OJT services for qualified veterans. The bureau staff work primarily in the private sector to develop employment opportunities and quality training. The Labor Standards Bureau staff administer and enforce the state's laws on wages, hours, working conditions, child labor, contractors' bonds, restaurant and tavern bonds, and private employment agency licensure.

Budget Issues

The FTE level authorized by the legislature for this program was 14.75. However, this program was reorganized during fiscal 1984. A portion of one FTE was transferred into this program from the appeals division and from the unemployment insurance program. When this reorganization is annualized, the program has 16.25 FTE. The recommended budget reduces the FTE level by a .25 training officer due to the loss of federal VA funds.

Operating expenses were increased $12,200 in each year for anticipated legal expenses. The division is named in several cases which may come to trial during the 1987 biennium.

Funding Change

In the past, this program received federal funds from the Veteran's Administration to monitor on-the-job training and apprenticeships of veterans. Usually, these activities were incorporated into normal travel trips and the Federal funds subsidized general fund travel. The federal allocation formula and reporting requirements have been changed which make the program uneconomical for the state to

LABOR STANDARDS DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.45	14.75	16.00	16.00

accept. The federal government now conducts these inspections. A 0.25 FTE was deleted along with $2,000 per year in travel expenses to reflect a reduced monitoring workload.

APPEALS DIVISION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	15.30	8.50	13.50	13.50
Personal Services	444,722.82	257,075	401,376	402,248
Operating Expenses	123,150.30	66,338	126,242	128,750
Transfers	0.00	44,310	0	0
Total Program Costs	$567,873.12	$367,723	$527,618	$530,998
General Fund	331,252.01	356,223	307,763	309,735
Federal & Other Spec Rev Fund	236,621.11	8,000	216,355	217,763
Proprietary Fund	0.00	3,500	3,500	3,500
Total Funding Costs	$567,873.12	$367,723	$527,618	$530,998
Current Level Services	567,873.12	367,723	527,618	530,998
Total Service Costs	$567,873.12	$367,723	$527,618	$530,998

Program Description

The Board of Personnel Appeals is provided for in section 2-15-1705, MCA. This board, through the Appeals Division, administers the Montana Collective Bargaining Act for public employees and the Nurses' Employment Practices Act. It also hears classification appeals for state government employees and hears grievances for employees in the Departments of Highways and Fish, Wildlife and Parks. The Board of Labor Appeals is provided for in section 2-15-1704, MCA. This board hears disputes concerning the administration of Montana's unemployment insurance laws.

Budget Issues

Reorganization. The base FTE level approved by the legislature for this program was 8.5 in fiscal 1984. Then, the department reorganized to consolidate all labor appeal processes into this division. This resulted in the transfer of 7 FTE from the Unemployment Insurance Division. In addition, 1 FTE was transferred to the Labor Standards division. The recommended budget deletes 1 clerical position that was vacant during a portion of 1984 and is not needed due to the efficiencies realized from the reorganization.

HUMAN RIGHTS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	10.50	9.75	10.50	10.50
Personal Services	205,472.34	224,298	252,450	252,922
Operating Expenses	66,748.72	54,853	81,165	82,308
Equipment	16,589.50	0	0	0
Transfers	0.00	17,504	0	0
Total Program Costs	$288,810.56	$296,655	$333,615	$335,230
General Fund	176,159.10	168,874	207,739	213,598
Federal & Other Spec Rev Fund	112,651.46	127,781	125,876	121,632
Total Funding Costs	$288,810.56	$296,655	$333,615	$335,230
Current Level Services	288,810.56	296,655	316,408	318,015
Modified Level Services	0.00	0	17,207	17,215
Total Service Costs	$288,810.56	$296,655	$333,615	$335,230

Program Description

The Human Rights Commission is provided for in section 2-15-1706, MCA, and is allocated to the Department of Labor and Industry for administrative purposes. The commission is charged with enforcing the Montana Human Rights Act (Title 49, Chapter 2, MCA) and the Governmental Code of Fair Practices (Title 49, Chapter 3, MCA). These laws prohibit discrimination on the basis of race, creed, religion, color, national orgin, age, handicap, marital status, sex and political belief in the areas of employment, public accomodations, housing, financial and credit transactions, education and government services. The commission is a neutral, quasi-judicial board. Its staff, the Human Rights Division, conducts impartial investigations and attempts to resolve complaints through mediation and conciliation. If complaints cannot be resolved by the staff, contested case hearings are conducted by the commission, usually utilizing a staff hearing examiner. The commission also has responsibility for educational programs designed to eliminate discrimination.

Of the complaints filed, 25% allege violation of only state law while 75% allege violation of both federal and state law. In order to eliminate duplication of enforcement, the commission has worksharing agreements with two federal enforcement agencies, the Equal Employment Opportunity Commission and the Department of Housing and Urban Development. These federal agencies reimburse the commission a portion of the costs of processing cases which fall under both state and federal law.

Budget Issues

The current level budget increases 8.4% from the 1985 biennium. This increase is seen in communications and maintenance contracts.

Communications costs increase 23.7% from FY84 as billings for FY 84 were in error and represented only a portion of actual costs. An additional $2,400 each year in maintenance contracts is included to cover a recently acquired displaywriter.

HUMAN RIGHTS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	10.50	9.75	10.50	10.50

Federal contracts encourage out-of-state training and reimburse 100% for training-related costs; approximately $4,000 is continued each year for this purpose.

HB447 required that the backlog in cases be reduced from 236 to 116 by the end of FY85. At the end of FY84 the backlog had been reduced to 152. It is anticipated the backlog will be 149 at the end of FY85 if the case filings remain at 380 cases per year.

Modification Requests

Funding Change

Full-time Compliance Officer. Last session a compliance officer was added to handle housing discrimination cases and was funded 100% by HUD. Because there were only 5 cases handled in FY84, the position was able to help with the regular workload. Beginning in 1986, HUD will reimburse on a by-case basis, consequently reducing federal funds by approximately 50%. We recommend this position, which is within current level FTE, be partially funded with general fund of $10,082 in FY86 and $14,342 in FY87 to replace lost federal money.

Part-time Compliance Officer. In FY84, at the direction of the 1983 Legislature, another compliance officer was hired to help reduce the case load from 236 to 116. The position was reduced to .25 FTE in FY85. We recommend reinstating a .75 FTE; creating a full time position which will continue to help reduce the backlog. A funding split of 25% general fund and 75% federal funds is recommended. The overall cost will be $17,207 in FY 86 and $17,215 in FY87.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	567.65	568.40	569.90	569.90
Personal Services	11,991,562.07	12,617,629	12,967,713	12,987,679
Operating Expenses	2,969,331.52	3,465,131	3,545,521	3,600,180
Equipment	1,356,719.91	823,103	526,763	460,640
Capital Outlay	30,294.63	0	0	0
Grants	9,494,749.24	16,258,451	10,075,000	10,475,000
Transfers	803,877.70	189,200	0	0
Total Agency Costs	$26,646,535.07	$33,353,514	$27,114,997	$27,523,499
General Fund	312,012.41	300,001	375,000	375,000
Federal & Other Spec Rev Fund	26,334,522.66	33,053,513	26,739,997	27,148,499
Total Funding Costs	$26,646,535.07	$33,353,514	$27,114,997	$27,523,499
Current Level Services	26,476,655.56	33,353,514	26,779,136	27,207,801
Modified Level Services	169,879.51	0	335,861	315,698
Total Service Costs	$26,646,535.07	$33,353,514	$27,114,997	$27,523,499

Agency Description

Labor and Industry-Employment Services is provided for in section 39-51-307, MCA, and the federal Wagner Peyser Act of 1934. It consists of the Job Service and Training, Unemployment Insurance and Centralized Services programs. Staff of these programs match unemployed workers with job openings, provide training in job-seeking skills and refer people to skill training programs. The staff also provides unemployment insurance services for all employed Montanans. This agency also administers the Job Training Partnership Act (JTPA) program.

JOB SERVICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	357.00	357.00	355.00	355.00
Personal Services	7,743,355.44	8,025,745	8,203,077	8,216,935
Operating Expenses	1,639,679.25	1,904,197	1,904,396	1,927,883
Equipment	404,867.32	0	357,212	369,174
Capital Outlay	30,294.63	0	0	0
Grants	2,316,055.33	4,631,000	2,600,000	3,000,000
Transfers	0.00	140,187	0	0
Total Program Costs	$12,134,251.97	$14,701,129	$13,064,685	$13,513,992
General Fund	40,835.98	46,000	0	0
Federal & Other Spec Rev Fund	12,093,415.99	14,655,129	13,064,685	13,513,992
Total Funding Costs	$12,134,251.97	$14,701,129	$13,064,685	$13,513,992
Current Level Services	12,134,251.97	14,701,129	13,015,805	13,465,112
Modified Level Services	0.00	0	48,880	48,880
Total Service Costs	$12,134,251.97	$14,701,129	$13,064,685	$13,513,992

Program Description

The Job Service Program is provided for in section 39-51-307, MCA, and the federal Wagner Peyser Act of 1934. The purpose of Job Service is to act as a labor exchange between employers and job applicants and to take unemployment insurance claims. The Job Training Partnership Act (JTPA) grants administered through this program are used as pass-through federal funds which go to state agencies and private, non-profit organizations that provide training and direct support for the local Job Service offices which work directly with eligible people. The purpose of JTPA is to provide employment and training for unemployed, underemployed and economically disadvantaged persons in the state.

Budget Issues

The proposed budget allows this program to maintain its current level of operations. It appears that the cost of this program increases nearly $1 million between fiscal 1984 and 1986. A majority of this increase is due to a vacancy savings of nearly 10% during Fiscal 1984 because several positions were not filled, primarily in the field job offices. These positions are authorized and funded by the Federal government based upon the state and regional unemployment rate.

The FTE level decreases by 2.0 due to the transfer of the State Occupational Information Coordinating Committee to the Central Services Division.

JOB SERVICE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	357.00	357.00	355.00	355.00

Modification Request

The recommended budget includes Federal spending authority to expand management training for employees. With a staff of 355, this request will allow an average training cost of $225 for each staff member.

Cost: FY 1986 - $ 48,880 FY 1987 - $ 48,880

UNEMPLOYMENT INSURANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	89.40	90.90	90.90	90.90
Personal Services	1,712,650.59	1,827,947	1,861,599	1,864,097
Operating Expenses	427,819.28	498,014	562,376	576,689
Equipment	20,690.12	32,100	98,674	83,923
Transfers	0.00	19,505	0	0
Total Program Costs	$2,161,159.99	$2,377,566	$2,522,649	$2,524,709
Federal & Other Spec Rev Fund	2,161,159.99	2,377,566	2,522,649	2,524,709
Total Funding Costs	$2,161,159.99	$2,377,566	$2,522,649	$2,524,709
Current Level Services	2,045,066.46	2,377,566	2,338,741	2,343,704
Modified Level Services	116,093.53	0	183,908	181,005
Total Service Costs	$2,161,159.99	$2,377,566	$2,522,649	$2,524,709

Program Description

The Unemployment Insurance Program is provided for in section 39-51-307, MCA, and in section 903 of the Social Security Act. Program staff collect unemployment taxes and provide unemployment insurance benefits to unemployed persons in accordance with state and federal laws.

Budget Issues

The FTE level authorized by the legislature for fiscal 1984 and fiscal 1985 was 90.9. When the department reorganized, 6 FTE were transferred out of this program to the appeals division to consolidate all appeals processes in one division. Later in fiscal 1984, 6 positions totalling 4.5 FTE were added by budget amendment for a portion of fiscal 1984 which increased the FTE level to 89.4. When these six positions are budgeted for a full fiscal year, the FTE level recommended returns to 90.9 FTE. These six positions are included in the modified request described below.

Modification Request

New Services
The recommended budget includes the continuation of the Random Audit program initiated during the 1985 biennium. The program examines all aspects of randomly chosen unemployment claims to verify information and insure all aspects of the benefit system are functioning properly. This request is supported totally with Federal Funds, and includes 6 FTE.

Cost: FY 1986 - $183,908 FY 1987 - $181,005

CENTRALIZED SERVICE ADMIN BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	121.25	120.50	124.00	124.00
Personal Services	2,535,556.04	2,763,937	2,903,037	2,906,647
Operating Expenses	901,832.99	1,062,919	1,078,749	1,095,608
Equipment	931,162.47	791,003	70,877	7,543
Transfers	0.00	29,508	0	0
Total Program Costs	$4,368,551.50	$4,647,367	$4,052,663	$4,009,798
Federal & Other Spec Rev Fund	4,368,551.50	4,647,367	4,052,663	4,009,798
Total Funding Costs	$4,368,551.50	$4,647,367	$4,052,663	$4,009,798
Current Level Services	4,314,765.52	4,647,367	3,949,590	3,923,985
Modified Level Services	53,785.98	0	103,073	85,813
Total Service Costs	$4,368,551.50	$4,647,367	$4,052,663	$4,009,798

Program Description

The Centralized Services Program staff provide accounting, auditing, budgeting, data processing, personnel, statistical and clerical support services for the various functions of the Department of Labor and Industry.

Budget Issues

The recommended budget is less than the actual fiscal 1984 expenditures by approximately $300,000 in each year of the 1987 biennium. This is due to a one-time purchase of a large amount of data processing equipment in fiscal 1984 to establish the 8100 data processing system for 5 job service offices. In the 1987 biennium, the data processing equipment costs are more accurately budgeted in the job services division.

The FTE level in fiscal 1984 is .75 FTE above the legislative authorization. This is due in part to reorganization and in part to a budget amendment. The recommended budget includes the reorganization and 3 modified positions described on the narrative below.

Modification Request

New Services
The recommended budget includes a new program to increase the statistical estimation capabilities of the research and analysis bureau. The enhanced statistical program will allow the department to meet additional statistical requests of the Federal government. This new service is totally supported with Federal Funds, and includes 3 FTE.

Cost: FY 1986 - $103,073 FY 1987 - $ 85,813

JOB TRAINING PARTNERSHIP ACT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	0.00	1	0	0
Grants	7,178,693.91	11,627,451	7,475,000	7,475,000
Transfers	803,877.70	0	0	0
Total Program Costs	$7,982,571.61	$11,627,452	$7,475,000	$7,475,000
General Fund	271,176.43	254,001	375,000	375,000
Federal & Other Spec Rev Fund	7,711,395.18	11,373,451	7,100,000	7,100,000
Total Funding Costs	$7,982,571.61	$11,627,452	$7,475,000	$7,475,000
Current Level Services	7,982,571.61	11,627,452	7,475,000	7,475,000
Total Service Costs	$7,982,571.61	$11,627,452	$7,475,000	$7,475,000

Program Description

The Job Training Partnership Act (JTPA) Subgrant program is administered by Labor and Industry - Employment Services. These JTPA grants are federal funds that are passed through to state agencies, private and non-profit organizations that provide these training programs.

Budget Issues

The general fund in the recommended budget represents $250,000 in each year for training activities started under the Build Montana program, and $125,000 in each year for the Displaced Homemaker program. General fund expenditures shown in fiscal 1984 are low due to an expenditure of $40,000 from these programs which is shown in the Job Service Division budget and due to a start-up lag time in establishing the new program activities.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	167.50	168.00	172.00	172.00
Personal Services	3,413,480.95	3,394,110	3,647,994	3,656,029
Operating Expenses	2,120,513.35	2,140,801	2,370,166	2,392,539
Equipment	172,228.86	37,717	176,726	113,231
Benefits and Claims	771,725.20	714,000	1,294,281	1,366,165
Transfers	135,887.50	611,971	0	0
Total Agency Costs	$6,613,835.86	$6,898,599	$7,489,167	$7,527,964
General Fund	783,743.61	725,308	716,179	681,194
State Special Revenue Fund	5,761,559.16	6,076,756	6,700,870	6,774,933
Federal & Other Spec Rev Fund	68,533.09	96,535	72,118	71,837
Total Funding Costs	$6,613,835.86	$6,898,599	$7,489,167	$7,527,964
Current Level Services	6,613,835.86	6,898,599	7,394,701	7,433,578
Modified Level Services	0.00	0	94,466	94,386
Total Service Costs	$6,613,835.86	$6,898,599	$7,489,167	$7,527,964

Agency Description

The Workers' Compensation Division is provided for in section 2-15-1702, MCA. Division staff administer the Workers' Compensation Act of Montana along with several related statutes. Staff responsibilities include: the administration of the State Compensation Insurance Fund; the monitoring of claims handled by private insurance carriers and self-insurers; the administration of state industrial safety and health laws; and the provision of rehabilitation services to disabled workers.

ADMINISTRATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	44.50	51.00	39.00	39.00
Personal Services	924,776.48	1,104,798	889,342	891,680
Operating Expenses	848,171.42	465,879	512,734	444,265
Equipment	118,025.48	0	95,607	0
Benefits and Claims	0.00	102,000	0	0
Transfers	135,887.50	611,971	0	0
Total Program Costs	$2,026,860.88	$2,284,648	$1,497,683	$1,335,945
General Fund	0.00	102,000	0	0
State Special Revenue Fund	1,992,082.66	2,124,714	1,462,858	1,301,005
Federal & Other Spec Rev Fund	34,778.22	57,934	34,825	34,940
Total Funding Costs	$2,026,860.88	$2,284,648	$1,497,683	$1,335,945
Current Level Services	2,026,860.88	2,284,648	1,497,683	1,335,945
Total Service Costs	$2,026,860.88	$2,284,648	$1,497,683	$1,335,945

Program Description

The Administration Program staff are responsible for providing management and support services to the division.

Budget Issues

FTE for this bureau drops by twelve positions as a result of reorganization during FY84. This reduction reflects the consolidation of the compliance function within the Insurance Compliance Bureau and the move to streamline accident reporting within the State Fund Bureau.

FY84 expenses reflect a one time cost of $479,700 for system development. This reduction of cost is partially offset by several increases which relate to maintenance and supply needs of the new data processing system which is to be operational July 1, 1985; travel which was down in FY 84; maintenance contracts on data processing equipment purchased during the 1985 biennium; and data processing and office equipment to be purchased in the coming biennium. Also, 1984 expenditures include transfers for building payments on the new Workers' Compensation building. This appropriation has been deleted from the 1987 biennium budget because these payments are authorized by Section 17-5-410, MCA and an appropriation in this budget is not necessary.

Due to the reorganization and the one-time expenditures in the current biennium, the 1987 biennium request declines 34% from the 1985 biennium level.

STATE INSURANCE FUND BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	63.00	68.00	73.00	73.00
Personal Services	1,221,950.57	1,275,796	1,457,177	1,460,104
Operating Expenses	980,302.49	1,306,258	1,412,589	1,496,755
Equipment	51,522.38	5,058	28,040	20,040
Total Program Costs	$2,253,775.44	$2,587,112	$2,897,806	$2,976,899
State Special Revenue Fund	2,253,775.44	2,587,112	2,897,806	2,976,899
Total Funding Costs	$2,253,775.44	$2,587,112	$2,897,806	$2,976,899
Current Level Services	2,253,775.44	2,587,112	2,803,340	2,882,513
Modified Level Services	0.00	0	94,466	94,386
Total Service Costs	$2,253,775.44	$2,587,112	$2,897,806	$2,976,899

Program Description

The State Insurance Fund Program staff operate and administer the State Insurance Fund. They enroll employers, assign rates, and pay claims to industrially injured workers.

Budget Issues

The current level FTE increases by one from FY 85. This increase is a result of reorganization which occurred in FY 84. Several functional changes were made which added and deleted many positions within this bureau.

The recommended current level budget increases 16% over the 1985 biennium. Causes of this increase are: a new computer system which will generate more and better information on policies and claims; increased mailings to policy-holders for notice purposes; maintenance contracts for equipment purchased during the 85 biennium; and a major increase of $97,400 over the 1985 biennium for the National Council on Compensation Insurance.

The equipment recommendation represents 2 cars per year, one personal computer and miscellaneous office equipment.

Modification Request

Four additional claims examiners are recommended. The increase in the claims load as well as the complexity of claims requires this additional assistance. Related costs are $94,466 in FY 86 and $94,386 in FY 87.

INSURANCE COMPLIANCE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	33.00	22.00	34.00	34.00
Personal Services	631,901.62	385,338	663,466	664,398
Operating Expenses	145,348.00	115,164	281,019	287,207
Equipment	450.00	1,391	7,520	59,280
Benefits and Claims	771,725.20	612,000	1,294,281	1,366,165
Total Program Costs	$1,549,424.82	$1,113,893	$2,246,286	$2,377,050
General Fund	783,743.61	623,308	716,179	681,194
State Special Revenue Fund	765,681.21	490,585	1,530,107	1,695,856
Total Funding Costs	$1,549,424.82	$1,113,893	$2,246,286	$2,377,050
Current Level Services	1,549,424.82	1,113,893	2,246,286	2,377,050
Total Service Costs	$1,549,424.82	$1,113,893	$2,246,286	$2,377,050

Program Description

The staff of the Insurance Compliance program monitor the filing of policy records of private insurance companies and monitor the processing of claims of injured employees covered by private insurance companies and by companies that are self-insured.

Program staff are also responsible for providing rehabilitation services to injured workers and investigations relating to compliance with provisions of the Workers Compensation Act.

The Silicosis Benefit Program (Section 39-73-109, MCA), Crime Victims' Compensation Act, Uninsured Employers' Fund, and Social Security Offset Benefit Program are administered by program staff.

Budget Issues

FTE for this bureau increases by twelve positions from what was established at the beginning of the 1985 biennium. The entire increase is a result of reorganization which occurred in FY 84. Major functional changes include combining the compliance effort within this bureau, deleting the rehabilitation function, and streamlining the accident reporting function.

Operating expenses increase within the areas of data processing, printing and indirect charges. Data processing charges of $47,000 are transferred from the administration program as a result of reorganization. Printing costs increase as informational booklets are updated and new material is made available to employers and employees. Indirect charges of $82,000 per year to the crime victims' fund are included as this fund must now be appropriated.

Benefits increase with the inclusion of the crime victims' benefit fund. The remaining benefits, silicosis and social security offset, reflect gradually

INSURANCE COMPLIANCE PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	33.00	22.00	34.00	34.00

declining benefit amounts.

The equipment recommendation includes one car in FY86, and replacement of 15 computer terminals in FY87.

SAFETY & HEALTH PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	27.00	27.00	26.00	26.00
Personal Services	634,852.28	628,178	638,009	639,847
Operating Expenses	146,691.44	253,500	163,824	164,312
Equipment	2,231.00	31,268	45,559	33,911
Total Program Costs	$783,774.72	$912,946	$847,392	$838,070
State Special Revenue Fund	750,019.85	874,345	810,099	801,173
Federal & Other Spec Rev Fund	33,754.87	38,601	37,293	36,897
Total Funding Costs	$783,774.72	$912,946	$847,392	$838,070
Current Level Services	783,774.72	912,946	847,392	838,070
Total Service Costs	$783,774.72	$912,946	$847,392	$838,070

Program Description

The Safety Program staff are responsible for inspecting the work sites of businesses engaged in mining and logging. Safety inspections also are conducted in the work areas of public agencies. Advisory inspections are provided for employers using the federal Occupational Safety and Health standards. Program staff: assure the proper licensing of boiler and crane operators; administer the certification process for coal mine foremen; and conduct safety and health training sessions.

Budget Issues

FTE for this bureau drops by one position. This position, through reorganization in FY 84, was transferred to the Administration Program. Duties will still be Safety Bureau related, serving as a central source of information for inquiries from within the division and from outside.

For the most part, operating expenses reflect current level operations. Communication costs decrease from the change over to the new communication system while travel costs increase. In-state travel is increased as vacancies and the need to fund the pay plan from operating expenses suppressed travel during FY84. Out of state travel is increased in order to meet OSHA training requirements, the costs of which are reimbursed by OSHA.

Major items in the equipment recommendation include 4 cars and $11,000 for field monitoring equipment in 1986; and 1 car, 2 trucks, and $4,900 for field monitoring equipment in 1987.

The annual requirement for boiler inspections cannot be met with current staff. There is currently a backlog of 300-400 inspections. Rather than request additional staff to eliminate the backlog, legislation will be introduced which would relax the annual inspection requirements of boilers.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	40.50	40.50	51.00	51.00
Personal Services	790,927.63	835,564	1,008,075	1,009,703
Operating Expenses	1,401,040.08	1,644,253	1,411,490	1,437,840
Equipment	132,972.72	800	2,400	6,000
Benefits and Claims	2,280.00	2,280	2,280	2,280
Total Agency Costs	$2,327,220.43	$2,482,897	$2,424,245	$2,455,823
General Fund	1,276,266.27	1,340,653	1,159,965	1,183,523
Federal & Other Spec Rev Fund	1,050,954.16	1,142,244	1,264,280	1,272,300
Total Funding Costs	$2,327,220.43	$2,482,897	$2,424,245	$2,455,823
Current Level Services	2,327,220.43	2,482,897	2,223,267	2,254,759
Modified Level Services	0.00	0	200,978	201,064
Total Service Costs	$2,327,220.43	$2,482,897	$2,424,245	$2,455,823

Agency Description

The Department of Military Affairs consists of three functional divisions: The Montana National Guard, Disaster and Emergency Services, and Veterans Affairs. The Department is administered by the Adjutant General and his staff (2-15-1201, MCA).

The Montana National Guard Division exists to provide trained and equipped military organizations for the Governor in the event of a state emergency, and the President in the event of a national emergency. The Guard Division is made up of the Army National Guard and the Air National Guard.

The Disaster and Emergency Services Division was established in the Department of Military Affairs by section 2-15-1204, MCA.

The Board of Veterans Affairs was established in the Department of Military Affairs by section 2-15-1205, MCA.

Budget Issues

Currently the department has accounting functions for each of its agencies: Military Affairs, Disaster and Emergencies, and Veterans Affairs. The department will create a centralized service function to incorporate the three into one for better budgeting, financial reporting, and personnel practices. To accomplish this one FTE from Veterans Affairs and one FTE from Disaster and Emergency Services will be utilized in the new Centralized Services area. These positions will remain budgeted in their respective agencies. One general fund FTE will be eliminated through this internal reorganization.

ADMINISTRATION PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	4.00	4.00	4.00	4.00
Personal Services	116,951.54	120,708	116,391	116,664
Operating Expenses	74,672.07	80,700	46,721	42,798
Equipment	450.00	400	1,300	0
Total Program Costs	$192,073.61	$201,808	$164,412	$159,462
General Fund	192,073.61	201,808	157,171	152,216
Federal & Other Spec Rev Fund	0.00	0	7,241	7,246
Total Funding Costs	$192,073.61	$201,808	$164,412	$159,462
Current Level Services	192,073.61	201,808	164,412	159,462
Total Service Costs	$192,073.61	$201,808	$164,412	$159,462

Program Description

The Administration Program staff provide management and supervision for the Army and Air National Guard programs, Emergency Support program, and administrative support to the Veterans Affairs Division. They also disburse funds to support the operation of the Departmental headquarters.

Budget Issues

The proposed budget reflects a proposed internal reorganization within the department that will combine three centralized service functions into one. One general fund FTE will be reduced with the reorganization. One FTE is transferred from the Army National Guard program. With this transfer the FTE level remains the same as in prior years.

The recommended budget for operations is reduced due to (1) communication expenses shown in FY84 in this program are budgeted for in the Army National Guard program in the 87 biennium. (2) base electricity expenses for small commercial users should be less than expended in FY84.

ARMY NATIONAL GUARD PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	16.00	16.00	16.00	16.00
Personal Services	270,338.01	304,010	304,242	304,499
Operating Expenses	988,422.48	1,110,288	1,011,342	1,032,111
Equipment	132,522.72	400	1,100	6,000
Benefits and Claims	2,280.00	2,280	2,280	2,280
Total Program Costs	$1,393,563.21	$1,416,978	$1,318,964	$1,344,890
General Fund	980,885.61	1,000,404	904,064	930,557
Federal & Other Spec Rev Fund	412,677.60	416,574	414,900	414,333
Total Funding Costs	$1,393,563.21	$1,416,978	$1,318,964	$1,344,890
Current Level Services	1,393,563.21	1,416,978	1,295,905	1,321,821
Modified Level Services	0.00	0	23,059	23,069
Total Service Costs	$1,393,563.21	$1,416,978	$1,318,964	$1,344,890

Program Description

The Army National Guard Program fulfills two main responsibilities. As directed by the Governor, the Guard mobilizes in cases of disaster and emergency in the state. In national emergencies, the guard mobilizes at the call of the President to defend the national security. In both instances, the guard provides trained personnel and necessary equipment to perform required tasks. The program staff are responsible for coordinating, planning, and implementing training for the guard.

The Army Guard is comprised of 36 units located in 27 armories throughout the state. In addition, there are seven equipment maintenance shops in the state. The major unit of the Army Guard is the 163rd Armored Cavalry Regiment.

Budget Issues

The internal reorganization of centralized service functions within the department transfers one FTE from this program to the Administration program. The FTE level remains the same due to a modified request for one FTE.

The equipment expenditure in FY84 was to implement the SECURE radio system in armories throughout the state. This was appropriated by the last legislature.

Modification Requests

Workload increase
An environmental planner position is requested to insure the department does not violate various Federal and State environmental laws and regulations.

Cost: FY 1986 - $ 23,059 FY 1987 - $ 23,069

Funding - 75% Federal Funds, 25% General Fund

AIR NATIONAL GUARD PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	20.50	20.50	31.00	31.00
Personal Services	403,638.08	410,846	587,442	588,540
Operating Expenses	337,945.53	453,265	353,427	362,931
Total Program Costs	$741,583.61	$864,111	$940,869	$951,471
General Fund	103,307.05	138,441	98,730	100,750
Federal & Other Spec Rev Fund	638,276.56	725,670	842,139	850,721
Total Funding Costs	$741,583.61	$864,111	$940,869	$951,471
Current Level Services	741,583.61	864,111	762,950	773,476
Modified Level Services	0.00	0	177,919	177,995
Total Service Costs	$741,583.61	$864,111	$940,869	$951,471

Program Description

The Air National Guard Program staff provide clerical, facilities' maintenance, and fire protection support to the Air National Guard Base at Great Falls. It also disburses funds to support the Air National Guard Headquarters.

The major unit of the Air Guard is the 120th Fighter Interceptor Group located in Great Falls.

Budget Issues

A .5 FTE was deleted due to custodial work being contracted instead of being done in-house.

Base electricity costs should be lower due to small commercial users paying less.

Additional utilities are budgeted due to new buildings being constructed at the Air Guard facility.

Modification Request

New Services
11 FTE are recommended for security at the Air Guard facility. Currently security is provided through a contract paid by the federal government. The modification will provide extra security in areas that cannot be provided for by contract.

Cost: FY 1986 - $177,919 FY 1987 - $177,995

Funding: 100% Federal funds

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	21.75	21.00	22.50	22.50
Personal Services	524,529.35	529,903	572,165	573,458
Operating Expenses	123,272.82	139,546	180,435	174,056
Equipment	12,359.21	943	4,500	898
Grants	826,219.80	0	2,000,000	2,065,000
Total Agency Costs	$1,486,381.18	$670,392	$2,757,100	$2,813,412
General Fund	216,000.96	222,525	229,152	227,975
Federal & Other Spec Rev Fund	1,270,380.22	447,867	2,527,948	2,585,437
Total Funding Costs	$1,486,381.18	$670,392	$2,757,100	$2,813,412
Current Level Services	1,452,774.15	670,392	2,679,753	2,735,849
Modified Level Services	33,607.03	0	77,347	77,563
Total Service Costs	$1,486,381.18	$670,392	$2,757,100	$2,813,412

Agency Description

The Disaster and Emergency Division staff provide an organization to prepare for, respond to, recover from and mitigate the effects of any emergency or disaster that could occur in Montana regardless of its cause. The division's responsibilities are specified in Title 10, chapter 3, MCA.

DISASTER COORDINATION & RESP. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.00	14.00	14.00	14.00
Personal Services	362,349.95	363,944	368,144	369,245
Operating Expenses	78,312.05	81,096	119,816	115,463
Equipment	897.00	918	0	898
Total Program Costs	$441,559.00	$445,958	$487,960	$485,606
General Fund	216,000.96	222,525	229,152	227,975
Federal & Other Spec Rev Fund	225,558.04	223,433	258,808	257,631
Total Funding Costs	$441,559.00	$445,958	$487,960	$485,606
Current Level Services	432,868.48	445,958	456,119	453,672
Modified Level Services	8,690.52	0	31,841	31,934
Total Service Costs	$441,559.00	$445,958	$487,960	$485,606

Program Description

The Disaster Coordination and Response Program staff prepare, update, coordinate, and test all state emergency preparedness, response and recovery plans. Each county is responsible for its own preparedness and response plans and each has a county coordinator (full-time or part-time). The division, working through four district representatives, provides coordination and operational, technical, administrative and training support for each county. Every county has an emergency plan approved by its respective county government.

Operating 24 hours a day, 7-days a week, program staff coordinate and administers all state and federal response and recovery actions to any disaster beyond local governments' response and recovery capabilities.

The program staff also administer all federal money that is passed through to eligible political subdivisions. Counties are eligible for 50% reimbursement on costs related to civil defense.

Modification Requests

Funding Change
Federal funds are requested for travel by Disaster and Emergency personnel to attend federally sponsored training. Prior to the 85 biennium the cost of travel was paid directly by the federal government. Under the new guidelines this cost has to be paid by the state through a grant.

Cost: FY 1986 - $ 29,656 FY 1987 - $ 29,656

Funding: 100% Federal funds

New Services
Funding to implement a Public Service Announcement program is requested. The

DISASTER COORDINATION & RESP. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	14.00	14.00	14.00	14.00

program will increase the awareness of citizens to potential disasters and action they should take to mitigate the impacts of such disasters.

Cost: FY 1986 - $ 2,185 FY 1987 - $ 2,278

Funding: 50% General fund
50% Federal funds

NUCLEAR CIVIL PROTECTION BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	7.75	7.00	8.50	8.50
Personal Services	162,179.40	165,959	204,021	204,213
Operating Expenses	44,960.77	58,450	60,619	58,593
Equipment	11,462.21	25	4,500	0
Grants	3,633.94	0	0	0
Total Program Costs	$222,236.32	$224,434	$269,140	$262,806
Federal & Other Spec Rev Fund	222,236.32	224,434	269,140	262,806
Total Funding Costs	$222,236.32	$224,434	$269,140	$262,806
Current Level Services	197,319.81	224,434	223,634	217,177
Modified Level Services	24,916.51	0	45,506	45,629
Total Service Costs	$222,236.32	$224,434	$269,140	$262,806

Program Description

The Nuclear Civil Protection Program supplements the Disaster Coordination and Response Program in the preparation and updating of Local and State Emergency Preparedness Plans. These efforts are federally funded for war caused incidents, but under current guidance can include planning for all hazards as long as it does not distract from the war caused planning. In addition to the planning preparedeness, technical support is given in in-place sheltering, exercise design and conducting, radiological defense and radiological monitoring.

Modification Request

New Services
1.5 FTE are requested to assist the state and local governments in testing and exercising current disaster plans and procedures. The FTE were funded by budget amendments during the 85 biennium.

Cost: FY 1986 - $ 45,506 FY 1987 - $ 45,629

Funding: 100% Federal funds

LOCAL CIVIL DEF REIMBURSEMENT BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Grants	822,585.86	0	2,000,000	2,065,000
Total Program Costs	$822,585.86	$0	$2,000,000	$2,065,000
Federal & Other Spec Rev Fund	822,585.86	0	2,000,000	2,065,000
Total Funding Costs	$822,585.86	$0	$2,000,000	$2,065,000
Current Level Services	822,585.86	0	2,000,000	2,065,000
Total Service Costs	$822,585.86	$0	$2,000,000	$2,065,000

Program Description

The Local Civil Defense Reimbursement Program is used to receive, record and disburse federal funds to other eligible political subdivisions. Federal programs include, but is not limited to, Emergency Management Assistance, Emergency Operation Center Construction and Furnishing, Communication and Warning Equipment, Supporting Materials and Disaster Recovery. All programs except Disaster Recovery is matched by receiving political subdivision.

Budget Issues

The monies in this program are not budgeted as they are pass thru monies to local political subdivisions. 10-3-203 MCA, authorizes this procedure.

FY84 reflects the amount passed through in that fiscal year. Since there is no appropriation required, FY85 does not show an appropriation or expenditure. At the end of FY85 actual pass thru amounts will be reflected.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	18.50	18.50	18.50	18.50
Personal Services	392,598.68	395,960	402,442	402,945
Operating Expenses	64,728.31	72,703	65,822	62,532
Equipment	10.90	0	0	0
Total Agency Costs	$457,337.89	$468,663	$468,264	$465,477
General Fund	457,337.89	468,663	468,264	465,477
Total Funding Costs	$457,337.89	$468,663	$468,264	$465,477
Current Level Services	457,337.89	468,663	468,264	465,477
Total Service Costs	$457,337.89	$468,663	$468,264	$465,477

Agency Description

The staff of the Veterans Affairs Division are charged with the responsibility of assisting all veterans, their dependents and beneficiaries who may be entitled to veteran benefits. The Division is provided for in section 2-15-2202, MCA.

Budget Issues

The proposed budget allows this program to maintain its current level of operation.

AGENCY SUMMARY BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	 FY 1987
Full Time Equivalent Employees	1,043.12	1,039.62	1,110.12	1,161.12
Personal Services	22,301,438.39	22,276,064	24,667,149	25,729,895
Operating Expenses	7,790,028.27	8,079,179	10,602,739	9,385,191
Equipment	359,998.35	17,755	139,336	48,204
Grants	21,737,217.78	1,352,831	7,467,627	8,408,458
Benefits and Claims	148,404,660.93	164,426,100	193,985,952	208,945,178
Transfers	0.00	2,000,000	0	0
Total Agency Costs	$200,593,343.72	$198,151,929	$236,862,803	$252,516,926
General Fund	67,428,179.00	67,857,117	75,984,588	84,007,005
State Special Revenue Fund	6,148,036.15	663,629	6,728,192	6,712,452
Federal & Other Spec Rev Fund	127,017,128.57	129,631,183	154,150,023	161,797,469
Total Funding Costs	$200,593,343.72	$198,151,929	$236,862,803	$252,516,926
Current Level Services	196,973,528.11	198,151,929	226,639,879	237,333,414
Modified Level Services	3,619,815.61	0	10,222,924	15,183,512
Total Service Costs	$200,593,343.72	$198,151,929	$236,862,803	$252,516,926

Agency Description

The Department of Social and Rehabilitation Services (SRS) is a multi-function human services agency designed to provide assistance to state citizens in need. The department's services range from public assistance -- including food stamps and medical assistance for the needy -- to the care and training of the developmentally disabled and the physically handicapped. The primary concern is to encourage people to become self-sufficient and to assist those who cannot do so.

The department staff provide services to children and adults who are in danger of abuse or exploitation. They help blind and partially blind persons become gainfully employed; help senior citizens prepare for retirement; and provide rehabilitation services to promote the restoration of handicapped Montanans to their fullest physical, mental, vocational and social abilities. Statutory authority for SRS is provided for in section 2-15-22, MCA and Title 53, MCA.

The department staff also administer the Social Services, Community Services and the Low Income Energy Assistance Block Grants.

ASSISTANCE PAYMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	47.50	46.75	49.50	49.50
Personal Services	1,186,894.83	1,159,295	1,293,253	1,295,483
Operating Expenses	1,578,467.87	1,329,485	1,845,600	1,849,907
Equipment	47,122.53	1,815	8,057	6,000
Grants	15,759,346.85	150,000	0	795,755
Benefits and Claims	29,283,790.83	39,284,216	50,160,019	53,685,630
Transfers	0.00	472,000	0	0
Total Program Costs	$47,855,622.91	$42,396,811	$53,306,929	$57,632,775
General Fund	10,316,426.71	9,302,418	12,086,033	13,293,706
State Special Revenue Fund	1,607,850.00	0	1,819,642	1,819,642
Federal & Other Spec Rev Fund	35,931,346.20	33,094,393	39,401,254	42,519,427
Total Funding Costs	$47,855,622.91	$42,396,811	$53,306,929	$57,632,775
Current Level Services	45,870,757.85	42,396,811	49,899,616	53,097,165
Modified Level Services	1,984,865.06	0	3,407,313	4,535,610
Total Service Costs	$47,855,622.91	$42,396,811	$53,306,929	$57,632,775

Program Description

The staff of the Assistance Payments Program provide aid to eligible households to enable them to meet day-to-day needs. The types of assistance provided include:

Aid to Families with Dependent Children (AFDC) - provides financial and medical assistance to needy families with children;

Food Stamps - increases the food purchasing power of eligible low-income families based on household size and income;

Food Distribution - provides for the distribution of surplus food commodities;

Community Service Block Grant - distributes funds to counties for social services;

Low-Income Energy Assistance Block Grant (LIEAP) - assists income-eligible citizens in off-setting some winter heating costs; and

Weatherization Program - weatherizes houses of low-income households.

The Assistance Payments Program receives its statutory authority from Title 53, chapter 2; Title 53, chapter 3; Title 53, chapter 4, part 2; and sections 53-4-101, and 53-6-133, MCA.

Budget Issues

The recommended current level budget for the Assistance Payments Program increases

ASSISTANCE PAYMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	47.50	46.75	49.50	49.50

6.5% for operational costs from FY84 and 7.7% for benefits and claims from FY84. The FY85 budget level should not be used for comparison purposes as it does not contain continuing appropriations or the proper level of expenditures for county assumption.

During FY84, a .75 FTE was transferred from Vocational Rehabilitation. This increase is reflected in current level.

Approximately $200,000 of additional administrative and computer costs were transferred from Medical Assistance to Assistance Payments during FY84. These expenditures will continue in FY85 and through the 1987 biennium.

Approximately $100,000 per year is added for expanded storage and handling of food commodities. Printing and computer costs also increase as a result of monthly foodstamp reporting requirements.

Benefits and Claims:

Costs associated with Aid to Families with Dependent Children (AFDC) benefits are projected to increase from FY84 costs by 13% in FY86 and 23.9% in FY87. Three factors combine to cause this increase; the Deficit Reduction Act of 1984 (DEFRA), caseload increases, and cost per case.

DEFRA requires states to increase the current Gross Monthly Income standard from 150% to 185% of the Current Need Standard. This mandate is anticipated to increase the AFDC caseload by 151 cases in FY86 and 162 cases in FY87.

Aside from the additional DEFRA cases, the department projects the regular AFDC caseload will increase 7% or 788 cases during the 1987 biennium. Enrolled Indian cases are projected to remain static.

AFDC
Caseload

	FY84	FY85 (est)	FY86 (est)	FY87 (est)
Enrolled Indian	1,592	1,728	1,728	1,728
Regular	5,527	5,563	5,739	6,139
DEFRA	0	91	151	162
Total	7,119	7,382	7,618	8,029

The cost per case is held at 4% increase per year from FY85 estimated costs.

AFDC
Cost Per Case

	FY84	FY85 (est)	FY86 (est)	FY87 (est)
Enrolled Indian	$291.35	$300.35	$312.36	$324.85
Regular	$305.52	$312.52	$325.02	$338.02
DEFRA	0	$156.26	$162.51	$169.01

ASSISTANCE PAYMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	47.50	46.75	49.50	49.50

Legislation passed by the 1983 legislature allowed counties to turn over their general assistance programs to the State. Eleven counties opted for state assumption in FY84; another county came under state assumption in FY85. The budget request for the General Assistance program adjusts the projected caseload for the twelfth county and anticipated growth and applies a 4% yearly increase to FY84's average cost per case.

Toward the end of FY84, a court order prohibited SRS from implementing rules which would have maintained General Assistance payments at the FY84 level. This decision has increased the average payment to singles by approximately 50% and by approximately 15% to couples. The budget request for General Assistance maintains the FY84 payment schedule plus inflation and assumes legislation will be introduced and passed that gives SRS the authority to alter the General Assistance payment schedule. If this legislation is not passed, SRS will continue operating under the court order; resulting in an increased general fund need of approximately $6 million for the 1987 biennium.

Low Income Energy Assistance Program (LIEAP) funds of $11,429,392 in FY86 and $11,422,432 in FY87 are included and reflect the remaining amount after the 10% transfer to the Developmental Disabilities Division.

Department Modification Requests

New Service
Solar Bank. $187,500 per year of federal funds are requested to provide repair and replacement of heating systems to low income people.

Cheese Processing. $145,600 per year of federal funds would pay the processing costs of approximately 1,120,000 lbs. of cheese per year. This cheese is then made available to needy individuals and families.

Temporary Emergency Food Assistance Program (TEFAP). $156,400 per year is for the storage and distribution of various commodities (powdered milk, flour, butter, etc.) to low income households. Funding is 100% federal.

Job Search. Federal funds of $174,578 in FY86 and $231,752 in FY87 will assist six major locales in Montana in obtaining employment for "able bodied" foodstamp recipients.

Expanded Service
Quality Assurance. One auditor and related costs are requested to increase quality control activities. This position would create net general fund savings of $14,088 in FY86 and $14,925 in FY87. If approved, the position would be transferred to Audit and Program Compliance, however, all savings would occur within the Assistance Payments Program.

Recoveries. One financial investigator position is requested. This position would create a net savings of $13,450 ($1,132 G.F.) in FY86 and $14,279 ($1,1365 G.F.) in FY87 within the AFDC benefit program. If approved, the position would be

ASSISTANCE PAYMENT PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	47.50	46.75	49.50	49.50

transferred to Audit and Program Compliance even though all savings will occur within the Assistance Payments Program.

Priorities For People Modification Requests

Expanded Service
AFDC Payment Level. This modification would increase the AFDC payment level to 51% of the poverty guideline. The associated costs are $2,495,657 in FY86 ($782,933 G.F.) and $2,735,320 in FY87 ($845,791 G.F.).

General Assistance Payment Level - The maximum allowable payment for state general assistance would increase to 51% of the poverty guideline if this modification is approved. The cost would be $275,116 in FY86 and $312,487 in FY87 from the general fund.

Low Income Energy Assistance Transfer - Currently, ten percent of the LIEAP grant award ($1,229,392 per year) is within the current level budget of the Developmental Disabilities Division. If this modification is approved, general fund of $795,755 in FY87 would partially replace the ten percent LIEAP transfer within the Developmental Disabilities Division, allowing LIEAP benefits to increase by a like amount in Assistance Payments.

SOCIAL SERVICES PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	368.64	373.89	394.64	421.64
Personal Services	7,722,146.23	7,881,585	8,580,867	9,169,967
Operating Expenses	852,459.82	1,187,204	970,469	1,092,251
Equipment	4,951.07	2,477	16,050	7,050
Grants	5,082,513.65	942,248	7,151,974	7,289,037
Benefits and Claims	6,881,181.79	11,643,030	6,383,273	6,639,483
Transfers	0.00	664,680	0	0
Total Program Costs	$20,543,252.56	$22,321,224	$23,102,633	$24,197,788
General Fund	5,232,406.14	7,451,564	7,305,958	8,154,344
State Special Revenue Fund	813,214.00	0	845,743	845,743
Federal & Other Spec Rev Fund	14,497,632.42	14,869,660	14,950,932	15,197,701
Total Funding Costs	$20,543,252.56	$22,321,224	$23,102,633	$24,197,788
Current Level Services	20,081,322.80	22,321,224	21,608,312	22,005,552
Modified Level Services	461,929.76	0	1,494,321	2,192,236
Total Service Costs	$20,543,252.56	$22,321,224	$23,102,633	$24,197,788

Program Description

The Social Services Program exists to strengthen family unity through provision of comprehensive services to children and families and to provide services to adults to help them live in the least restrictive environment and assist them in becoming self-sufficient. The program is responsible for licensing day care centers, foster family homes, group homes and child care agencies. Statutory authority for this program is provided in Title 53, chapters 4 and 5, MCA.

Budget Issues

Current level expenses for both operations and benefits and claims include no significant changes for the Community Services Division.

Current level FTE drops 8.25 from the FY85 level. Eight medical social workers were transferred to the Medical Assistance Program as part of the medicaid waiver program during FY84. This transfer continues into the 1987 biennium. A .75 administrative aide position was transferred from the Visual Services program in FY84 while the Aging Coordinator position is recommended to be transferred to the Governor's Office for the 1987 biennium.

The FY85 budget summary does not include continuing appropriations and does not accurately reflect anticipated county assumption costs.

Benefits remain at current level and reflect a 4% per year inflationary increase.

Department Modification Requests

SOCIAL SERVICES PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	368.64	373.89	394.64	421.64

Workload Increase

Advocacy Assistance. This modification would allow the continuation of the Advocacy Assistance grant which was added through budget amendment in FY84. The long term care ombudsman and the legal developer work to assure and safeguard the rights of senior citizens in the receipt of home and community based services, long term care services and elder abuse services. Federal funds of $49,220 in FY86 and $49,239 in FY87 are requested to support the two FTE.

Priorities For People Modification Requests

Expanded Service

Child Protective Services Caseload Reduction. This modification is the first phase in an attempt to reduce social worker caseloads from 44.7 cases per worker to 25 cases. An increase of 27 FTE in FY86 and 54 FTE in FY87 is requested at a cost of $693,792 in FY86 ($607,068 G.F.) and $1,383,585 in FY87 ($1,210,637 G.F.).

Support Services for Foster Children and Youth. This modification would give SRS the ability to pay the costs associated with providing for a foster child. Presently payments to foster families fall short, resulting in a financial burden which can lead to a greater risk of abuse and placement breakdown. The requested funds total $394,789 in FY86 ($134,663 G.F.) and $402,892 in FY87 ($135,452 G.F.).

Subsidized Adoption. This modification will allow SRS to serve an additional 30 children. These children, who are unable to be adopted without subsidy, would otherwise remain on the foster care roles. The cost is $90,000 per year with a general fund commitment of $66,960 per year.

New Service

Alcohol and Drug Treatment for Indigent Youth. Requested funding would provide 80% matching funds to communities to assist in financing inpatient alcohol and drug treatment for an estimated 133 indigent youth currently lacking treatment. The cost of $266,520 per year is 100% general fund.

ELIGIBILITY DETERMINATION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	318.61	318.61	336.61	354.61
Personal Services	6,236,280.34	6,198,793	6,760,858	7,090,245
Operating Expenses	108,491.50	451,010	117,875	124,874
Transfers	0.00	339,320	0	0
Total Program Costs	$6,344,771.84	$6,989,123	$6,878,733	$7,215,119
General Fund	855,686.48	678,640	1,053,086	1,152,638
State Special Revenue Fund	999,938.00	0	1,039,936	1,039,936
Federal & Other Spec Rev Fund	4,489,147.36	6,310,483	4,785,711	5,022,545
Total Funding Costs	$6,344,771.84	$6,989,123	$6,878,733	$7,215,119
Current Level Services	6,344,771.84	6,989,123	6,553,376	6,564,143
Modified Level Services	0.00	0	325,357	650,976
Total Service Costs	$6,344,771.84	$6,989,123	$6,878,733	$7,215,119

Program Description

The staff of the Eligibility Determination Program determine eligibility for Aid to families with Dependent Children, Medical Assistance Programs, the Food Stamp Program, low-income energy assistance, county special assistance and county medical assistance.

Budget Issues

There were no current level adjustments made to the Eligibility Determination program for the 1987 biennium.

Priorities for People Modification Request

Workload Increase
Staffing Patterns for ET's. The Eligibility Determination program is requesting an additional 54 FTE in the 1987 biennium to correspond with an increase in caseload and activity. This modification proposes 18 FTE in FY86 and 36 in FY87 to meet this need. The largest portion of the FTE are varied classifications of eligibility technicians to be distributed among the counties with the increased workload. The cost per year is $325,357 ($97,607 G.F.) in FY86 and $650,976 ($195,293 G.F.) in FY87.

ADMINISTRATIVE & SUPPORT SVS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	83.50	83.50	83.50	83.50
Personal Services	2,019,284.00	1,997,152	2,071,655	2,075,774
Operating Expenses	788,650.40	849,282	908,204	811,517
Equipment	10,133.28	1,500	47,540	18,714
Total Program Costs	$2,818,067.68	$2,847,934	$3,027,399	$2,906,005
General Fund	525,267.77	588,329	566,519	541,111
State Special Revenue Fund	308,335.00	0	320,668	320,668
Federal & Other Spec Rev Fund	1,984,464.91	2,259,605	2,140,212	2,044,226
Total Funding Costs	$2,818,067.68	$2,847,934	$3,027,399	$2,906,005
Current Level Services	2,818,067.68	2,847,934	3,027,399	2,906,005
Total Service Costs	$2,818,067.68	$2,847,934	$3,027,399	$2,906,005

Program Description

The Administration and Support Service staff provide overall direction of the agency and support services, such as fiscal, data processing, general services and word processing. The administrative organization of the department is established in sections 2-4-201, 2-15-112, 2-15-2201, and 53-2-201, MCA.

Budget Issues

The current level budget recommendation for the Administrative and Support Services includes some increases and decreases.

State liability insurance increases from approximately $62,000 a year during the 1985 biennium to $113,000 a year for the 1987 biennium, an 82.37% increase.

The legislative audit fee of $115,000 is within FY86 only, resulting in a decrease for operating expenses in FY87. The 1985 biennium audit appropriation was $120,000 of which $47,500 was expended in FY84.

A one-time expense in FY84 of $12,000 was for a contract to print brochures describing programs within the department. This expenditure as well as a one-time purchase of books are not reflected in the recommended 1987 biennium budget.

Equipment costs recommended for the 1987 biennium are $47,540 in FY86 and $18,714 in FY87.

In FY86 $25,000 is recommended for a Data Processing Control Unit and additional miscellaneous equipment to expedite programmer and other user productivity due to increased workload. The control unit is presently rented from Computer Services Division at a cost of $3,000 per year. The requested equipment purchase will eliminate this rent expense.

ADMINISTRATIVE & SUPPORT SVS BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	83.50	83.50	83.50	83.50

The present mail processing machine should be replaced at a cost of $5,500 in FY86. Because of the large volume of mail processed annually, wear and adjustments are frequent.

The department presently owns 6 automobiles, 3 of which have in excess of 97,663 miles and 2 which will have 95,000 miles in FY85. It is recommended that 2 new automobiles be purchased each year for a cost of $17,040 in FY86 and $18,572 in FY87.

STATE ASSUMED COUNTY ADMIN. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	.00	.00	.00	.00
Operating Expenses	954,052.43	164,000	1,263,183	1,278,260
Equipment	196,397.13	0	44,200	0
Transfers	0.00	164,000	0	0
Total Program Costs	$1,150,449.56	$328,000	$1,307,383	$1,278,260
General Fund	294,752.22	328,000	252,736	238,385
State Special Revenue Fund	386,700.00	0	402,168	402,168
Federal & Other Spec Rev Fund	468,997.34	0	652,479	637,707
Total Funding Costs	$1,150,449.56	$328,000	$1,307,383	$1,278,260
Current Level Services	1,150,449.56	328,000	1,307,383	1,278,260
Total Service Costs	$1,150,449.56	$328,000	$1,307,383	$1,278,260

Program Description

The State Assumption program accounts for all administrative costs (operating expenses and equipment) in the state administered counties. These costs were previously accounted for in the county billing procedure.

Budget Issues

The State Assumption Program was created following the passage of HB 798 during the 1983 Legislative Session. This bill allowed counties to opt for State assumption of their welfare programs.

Fiscal Year 1984 expenses represent the administrative costs associated with the eleven counties which went under state assumption. The FY85 budget in the above summary table is not accurate and merely reflects an estimate made at the beginning of the 1985 beinnium before an accurate base could be determined.

Fiscal years 1986 and 1987 budget levels increase approximately 12% from FY84 and represent costs associated with a twelfth county which opted for state assumption in FY85. The recommended budget level also includes costs for maintenance contracts on display writers purchased for a number of counties toward the end of FY84 and maintenance contracts on four new copy machines requested to be purchased in FY86.

MEDICAL ASSISTANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	20.99	12.99	33.99	36.99
Personal Services	571,152.32	374,489	922,049	989,656
Operating Expenses	1,787,495.43	1,995,250	3,291,384	2,016,126
Equipment	1,470.54	0	5,529	230
Grants	13,189.56	0	0	0
Benefits and Claims	96,320,472.68	96,296,653	117,586,488	125,137,937
Transfers	0.00	360,000	0	0
Total Program Costs	$98,693,780.53	$99,026,392	$121,805,450	$128,143,949
General Fund	37,984,572.53	36,111,751	42,012,512	44,120,059
State Special Revenue Fund	1,445,519.00	0	1,819,643	1,819,643
Federal & Other Spec Rev Fund	59,263,689.00	62,914,641	77,973,295	82,204,247
Total Funding Costs	$98,693,780.53	$99,026,392	$121,805,450	$128,143,949
Current Level Services	97,659,782.53	99,026,392	119,108,137	125,576,302
Modified Level Services	1,033,998.00	0	2,697,313	2,567,647
Total Service Costs	$98,693,780.53	$99,026,392	$121,805,450	$128,143,949

Program Description

Under Title XIX of the Social Security Act, the staff of the Medical Assistance Program administer the Medicaid Program, which includes the Home and Community Based Service Program, for needy individuals and families. Statutory authority for the program is provided for in Title 53, chapter 6, MCA.

Budget Issues

Current level FTE for the Medical Assistance Program increases by eight from the 1985 biennium budgeted level of 12.99. Eight medical social workers were transferred from the Community Services Division in FY84 and are part of the medicaid waiver program.

During FY84 approximately $200,000 of administrative and computer costs were transferred to the Assistance Payments Program. This reduced operating level is continued into the 1987 biennium. Approximately $30,000 in systems development is recommended for a home and community based service tracking system as well as a hospital reimbursement system.

The FY85 budget summary does not include continuing appropriations and understates anticipated county assumption costs.

Benefit and claims increase 24% from FY84 base expenditures. The major area of increase occurs within medicaid-other and is directly related to the Deficit Reduction Act of 1984 (DEFRA).

There are three DEFRA mandates that impact medicaid other expenses.

MEDICAL ASSISTANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	20.99	12.99	33.99	36.99

1) States must increase the current Gross Monthly Income standard to 185% of the current Need Standard. The department estimates an additional 146 families will become eligible for medicaid benefits at a cost of approximately $300,000 per year.

2) DEFRA now requires states to provide a nine month extension of medicaid coverages to recipients who lose Aid to Families with Dependent Children (AFDC) eligibility due to excess earned income. Prior to DEFRA, Montana offered a four month extension. The projected cost of this mandate is approximately $3,477,000 in FY86 and $3,616,000 in FY87.

3) States must provide medicaid coverage to first-time pregnant women, pregnant women in two parent families where the breadwinner in unemployed, and children up to age five in two parent families. All recipients must be proven medically needy. The projected cost is approximately $1,414,000 in FY86 and $1,637,000 in FY87.

A 4% yearly inflation rate was applied to the projected FY84 medicaid costs for the current level AFDC and SSI caseload.

Nursing home days are projected to increase by 5016 days. This increase anticipates additional beds available as a result of the Certificate of Need process.

Home and community based services will be at full capacity in FY86 and FY87, serving 200 individuals throughout the state. The projected budget is $1,145,370 per year; up from $67,500 in FY84 when the program was just starting.

The final major area of increase is the Billings Children Unit which is to be operational the first part of 1985. The proposed budget of $2,506,585 in FY86 and $2,053,979 in FY87 assumes 18,615 days of care per year at approximately $110 per day.

Department Modification Requests

Expanded Service

Third Party Payers. The addition of one financial investigator to pursue insurance companies and other responsible parties of medicaid recipients is projected to produce a net savings of $78,450 ($23,245 G.F.) in FY86 and $79,279 ($23,140 G.F.) in FY87. This position would be transferred to Audit and Program Compliance, however, savings would occur within the Medical Payments Program.

Quality Assurance. One quality control reviewer is requested. Activities of this individual are projected to produce a net general funds savings of $37,088 in FY86 and $37,925 in FY87. This position would be transferred to Audit and Program Compliance, however, savings would occur within the Medical Payments Program.

New Services

Medicaid Management Information System (MMIS). Completion of the MMIS is scheduled in FY86. Federal funds provide 90% of the $1,200,000, requiring $120,000 in general funds.

MEDICAL ASSISTANCE BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	20.99	12.99	33.99	36.99

HB 909 Implementation. The current proposal for HB 909 implementation provides for the transfer of 52 individuals from state institutions. Because medicaid reimburses institutions on a cost-related basis, there will be a reduction in the amount needed for institutional reimbursement in the medicaid program. This reduction is projected to be $670,374 ($225,380 G.F.) in FY87.

Priorities For People Modification Requests

Expanded Service

Home and Community Based Service. Four hundred additional home and community based slots would be made available over the course of the 1987 biennium with approval of this modification. Increasing available home and community based service slots will offer an alternative to nursing home care. The cost of this request is $1,438,136 in FY86 ($635,169 G.F.) and $3,210,368 in FY87 ($1,180,140 G.F.). FTE increases by 6.00 in FY86 and 9.00 in FY87.

New Services

Medicaid Cost Containment Pilots. This modification would allow $75,051 in FY86 ($37,525 G.F.) and $48,313 in FY87 ($24,156 G.F.) to test capitation programs and/or recipient education and benefit programs in an attempt to develop a long-range proposal for cost containment in the medicaid program. FTE increases by 1.00 each year.

Acute Care Reimbursement Program. Montana can no longer utilize cost reporting and auditing resources from the medicare system as medicare has changed from a retrospective to a prospective payment system. Unless Montana adopts the medicare payment system, the department must replace the lost resources. This modification would fund two financial analysts, one clerical, one accounting technician and related operating costs for $99,664 in FY86 and $96,544 in FY87. General fund would pick up 50% of these costs. FTE increases by 4.00 each year.

AUDIT AND PRO. COMPLIANCE DIV. BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	40.00	40.00	40.00	40.00
Personal Services	944,173.54	932,861	980,724	981,803
Operating Expenses	163,429.95	200,776	161,576	163,024
Equipment	7,667.24	1,560	400	400
Grants	106,817.04	98,083	106,315	112,061
Total Program Costs	$1,222,087.77	$1,233,280	$1,249,015	$1,257,288
General Fund	457,544.61	464,302	463,708	469,200
Federal & Other Spec Rev Fund	764,543.16	768,978	785,307	788,088
Total Funding Costs	$1,222,087.77	$1,233,280	$1,249,015	$1,257,288
Current Level Services	1,216,387.77	1,233,280	1,249,015	1,257,288
Modified Level Services	5,700.00	0	0	0
Total Service Costs	$1,222,087.77	$1,233,280	$1,249,015	$1,257,288

Program Description

The Audit and Program Compliance program staff conduct department-wide audits and program compliance reviews to insure that program and financial regulations are met. These staff also conduct federal quality control reviews in AFDC, Medicaid and Food Stamp programs and are responsible for detection and prosecution of all cases of welfare fraud on the part of both recipients and medicaid providers. The department's recovery activities for benefit overpayments and from estates, insurance companies, etc., are also handled by this division.

Budget Issues

The recommendation for the Audit and Compliance Division budget is to maintain its current level of operation.

VOCATIONAL REHABILITATION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	68.15	68.85	66.75	66.75
Personal Services	1,389,745.20	1,467,054	1,483,168	1,485,682
Operating Expenses	359,587.08	345,884	381,817	393,009
Equipment	3,810.35	0	3,810	3,810
Grants	118,265.66	0	0	0
Benefits and Claims	2,703,483.25	2,847,151	3,725,281	3,942,519
Total Program Costs	$4,574,891.54	$4,660,089	$5,594,076	$5,825,020
General Fund	465,256.74	613,207	1,155,176	1,177,645
State Special Revenue Fund	586,480.15	663,629	480,392	464,652
Federal & Other Spec Rev Fund	3,523,154.65	3,383,253	3,958,508	4,182,723
Total Funding Costs	$4,574,891.54	$4,660,089	$5,594,076	$5,825,020
Current Level Services	4,574,891.54	4,660,089	4,743,183	4,860,544
Modified Level Services	0.00	0	850,893	964,476
Total Service Costs	$4,574,891.54	$4,660,089	$5,594,076	$5,825,020

Program Description

The Vocational Rehabilitation Program provides services to vocationally handicapped persons of employable age to restore them to gainful work. Program emphasis is on serving the severely disabled. Services include diagnostic evaluation, vocational training, physical restoration, counseling, job placement and follow up. This program provides extended employment services to help disabled find a place to work at their level of functioning in a highly competitive employment system. Statutory Authority, Title 53, chapter 7, MCA.

Budget Issues

The current FTE level of 68.85 in FY85 for Vocational Rehabilitation drops by 4.10 for the 1987 biennium. During the 1985 biennium, there were many transfers of partial FTE throughout the department. These transfers came about in an attempt to reflect actual workloads which were occurring within the various programs. Of the 4.10 FTE reduction, 1.75 FTE are related to such transfers. The remaining 2.35 FTE reflect th deletion of 3 rehabilitation counselor positions (2.35 FTE), and a full time typist position. These positions were vacant in FY84.

An increase in the operating expenses is seen in the areas of rent and dues. Based on current rental agreements, district office rent increases by $5,565 in FY86 and $11,623 in FY87. Dues of $1,600 per year are paid to the Council of State Administration of Vocational Rehabilitation (CSAVR). This amount is not reflected in the FY84 expenditures as the expense was charged in error to FY85.

Equipment budgets are recommended to remain at the FY84 level. Replacements are requested for communicating devices for deaf clients and transcribers for the field officers.

VOCATIONAL REHABILITATION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	68.15	68.85	66.75	66.75

Priorities for People Modification Requests

Rehabilitation Services. During the 1983 session, over $500,000 per year of general fund was replaced by Workers Compensation funds and other federal funds. Due to limitations on these funding sources, many individuals did not receive services in FY84 and FY85. An additional $461,646 in FY86 and $583,724 in FY87 is requested to restore the 1983 service level. The general fund portion is $150,000 each year.

Vocational Rehabilitation Extended Employment Program. Currently this program funds 58 severely disabled individuals in seven workshop facilities in Montana. These individuals are not capable of employment in competitive industry due to residuals of mental illness, brain stem injury, neurological disability or visual disabilities. An additional 20 people could be served and removed from the waiting list if this modification for $100,000 per year in general fund is approved.

Special Disabled Populations. A large portion of Montana's disabled population are not eligible for services through vocational rehabilitation and are not considered developmentally disabled. These persons fall into a variety of disability groups including head injured, spinal cord injured, multiply disabled, respiratory disorders, multiple sclerosis, muscular dystrophy, etc. At present, these persons receive either no services or minimal life support assistance. This modification would address this population's needs and their ability to become independent. The request is 100% general fund: $289,247 in FY86 and $280,752 in FY87.

DISABILITY DETERMINATION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	42.63	41.13	44.13	44.13
Personal Services	995,332.72	968,906	1,055,764	1,058,058
Operating Expenses	777,123.81	1,165,595	1,105,033	1,144,448
Equipment	74,331.35	0	11,000	11,000
Benefits and Claims	38,393.03	51,772	72,482	75,891
Total Program Costs	$1,885,180.91	$2,186,273	$2,244,279	$2,289,397
Federal & Other Spec Rev Fund	1,885,180.91	2,186,273	2,244,279	2,289,397
Total Funding Costs	$1,885,180.91	$2,186,273	$2,244,279	$2,289,397
Current Level Services	1,840,755.52	2,186,273	2,073,122	2,117,848
Modified Level Services	44,425.39	0	171,157	171,549
Total Service Costs	$1,885,180.91	$2,186,273	$2,244,279	$2,289,397

Program Description

The Disability Determination Program determines disability on Montana applicants for Social Security Disability and Supplemental Security Income Disability benefits.

The SSDI program is intended to provide benefits only to those insured individuals (and qualified dependents) who become unable to work because of an illness or injury which is expected to last for at least 12 full months or which may cause death.

The SSI program is intended to provide an income floor to those disabled individuals eligible from an income and resource level who become unable to work because of an illness or injury which is expected to last for at least 12 full months or which may cause death.

Face to face hearings are conducted prior to termination of benefits for disabled beneficiaries receiving SSDI benefits.

Budget Issues

The current level budget for Disability Determination increases from 1984 in the areas of contracted services and rent.

In 1984 Social Security placed a moratorium on disability cases regarding medical improvements. Legislation has now passed requiring medical improvements to be shown before a patient can be removed from the roles. Due to the moratorium, a backlog of 1200 cases occurred which would have required a medical examination at an average cost of $180 per exam. The program is requesting additional funds to purchase consultive medical examinations for these 1200 cases in order to document any restrictive impairments requested by the court. The amount of increase will be approximately $216,000 per year.

DISABILITY DETERMINATION PGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	42.63	41.13	44.13	44.13

A larger copy machine is currently being rented because of workload increases. An additional $4,000 per year for rental costs is needed. There is an increase in office space rent from FY84. Due to a 3 year contract agreement, the program requests an additional $14,687 in FY86 and $18,866 in FY87.

Data processing equipment of $11,000 a year is requested. Social Security incorporated a pilot program in the Montana office and will provide support services. The program will be totally automated in March, 1985. Repair and maintenance costs will increase $19,148 each year with the new implementation.

Modification Requests

Workload Increases
Hearings Unit. The Disability Determination Hearings Unit added by budget amendment in 1984, is requesting continued funding. The function of the Hearings Unit is to give disability beneficiaries, no longer eligible for benefits, an opportunity to request reconsideration of the findings. In order to handle increased workload, two hearings officers and an administrative aide are needed to cover an estimated 350 hearings each year.

Funding of $171,157 in FY86 and $171,549 in FY87 is entirely from federal funds.

VISUAL SERVICES PRGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	20.85	21.65	19.75	19.75
Personal Services	405,252.79	475,093	448,512	449,431
Operating Expenses	126,804.71	98,663	133,214	135,370
Equipment	6,311.78	10,403	1,000	1,000
Benefits and Claims	277,937.06	215,782	270,589	285,830
Total Program Costs	$816,306.34	$799,941	$853,315	$871,631
General Fund	240,178.05	271,495	226,508	232,404
Federal & Other Spec Rev Fund	576,128.29	528,446	626,807	639,227
Total Funding Costs	$816,306.34	$799,941	$853,315	$871,631
Current Level Services	816,306.34	799,941	853,315	871,631
Total Service Costs	$816,306.34	$799,941	$853,315	$871,631

Program Description

The Visual Services Program provides rehabilitation services to blind and visually impaired individuals. These services include: medical examination; vocational counselling; physical restoration services; job training; job placement, and follow-up services.

The Visual Services Medical Program - provides eye care for medically indigent persons.

The Business Enterprise Program - aids visually impaired persons in establishing small business ventures.

The Mobility and Orientation Program - trains visually impaired individuals to travel independently.

The Rehabilitation Teaching Program - teaches independent living skills.

The Visual Services Program also trains hospital and nursing home personnel in working with blind visually handicapped persons. Statutory authority for the program is in Title 53, Chapter 7 - 3 MCA.

Budget Issues

The current level FTE activity in the Visual Services program drops by 1.90 FTE from the FY85 budgeted level of 21.65. During the 1985 biennium there were many transfers of partial FTE throughout the department. These transfers came about in an attempt to reflect actual workloads which were occurring within the various programs. Of the 1.90 FTE reduction, transfers account for .75 FTE. The remaining activity was the deletion of a business enterprise position (1.00 FTE) and a rehabilitation counselor (.15 FTE) that were vacant in FY84.

VISUAL SERVICES PRGM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	FY 1987
Full Time Equivalent Employees	20.85	21.65	19.75	19.75

An overall 5.9% increase from FY84 is shown in operating expenses. A portion of this increase is in management and services contracts for the blind vending stands throughout Helena. In-state travel was also increased by $1,000 per year as an orientation and mobility specialist position, vacant 32% of 1984, has been filled and will require a full year's worth of travel to provide training for the blind throughout the state.

Benefits for the Visual Services program appear to decrease from 1984. However, Extended Employment and Job Training and Partnership Act (JTPA) benefits are now included in the Vocational Rehabilitation program. Rehabilitation Services and Visual Medical benefits reflect a 4% inflationary increase.

DEVELOPMENTAL DISAB PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	30.25	30.25	39.25	42.25
Personal Services	785,170.68	774,855	1,023,510	1,086,753
Operating Expenses	265,319.30	250,511	366,173	318,448
Equipment	7,803.08	0	1,750	0
Grants	488,083.16	0	14,338	16,605
Benefits and Claims	12,899,402.29	14,087,496	15,787,820	19,177,888
Total Program Costs	$14,445,778.51	$15,112,862	$17,193,591	$20,599,694
General Fund	11,056,087.75	12,047,411	10,862,352	14,627,513
Federal & Other Spec Rev Fund	3,389,690.76	3,065,451	6,331,239	5,972,181
Total Funding Costs	$14,445,778.51	$15,112,862	$17,193,591	$20,599,694
Current Level Services	14,356,881.11	15,112,862	15,917,021	16,498,676
Modified Level Services	88,897.40	0	1,276,570	4,101,018
Total Service Costs	$14,445,778.51	$15,112,862	$17,193,591	$20,599,694

Program Description

The Developmental Disabilities Program exists to assure provision of quality services to developmentally disabled citizens in Montana according to Title 53 chapter 20, MCA. The program staff are responsible for mentally retarded, autistic, and epileptic persons who have cerebral palsy or any other neurological handicapping condition closely related to mental retardation if the disability originated before the person reached the age of 18.

Budget Issues

The current level budget recommendation for the Developmental Disabilities Program reflects no major increases for operations and maintains benefits and claims at a 4% yearly inflation rate from the FY85 base. The ten percent transfer of the Low Income Energy Assistance Program (LIEAP) is included as a funding source for $1,229,392 per year.

Department Modification Requests

Expanded Service
Specialized Foster Care & Special Needs - This modification serves two purposes. First, specialized foster care is continued at a level of $169,000 in FY86 and $175,760 in FY87 due to the availability of 100% federal funding. This modification continues a funding switch from general fund to federal funds made through a budget amendment in FY84. The remaining funds of $40,789 in FY86 and $42,420 in FY87 will allow the department to address the special needs of clients with intensive problems requiring innovative training procedures within a variety of settings.

Montana Conference on Developmental Disabilities (MCDD). This conference has been held yearly since 1980. During the 1983 legislature session it was inadvertently

DEVELOPMENTAL DISAB PROGRAM BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	30.25	30.25	39.25	42.25

overlooked. This modification would return these expenses to current level. The request of $14,338 in FY86 and $16,605 in FY87 is funded from donations and registration fees.

HB 909 Implementation. In accordance with the HB 909 study recommendation, this modification would provide specialized intensive community based services to 52 individuals presently within state institutions. These individuals would be placed in mid FY87. The proposed budget of $264,566 ($142,283 G.F.) in FY86 and $1,701,946 ($636,246 G.F.) in FY87 reflects the planning and placement activities which must occur prior to the movement of clients as well as actual operational costs once the clients are moved. Requested FTE of 7 in FY86 and 10 in FY87 will be involved in client assessment, standards development, licensing procedures, community relations and various administrative tasks.

Priorities For People Modification Requests

Workload Increases

Reduction in Developmental Disabilities Waiting List. This modification proposes removing 285 developmentally disabled individuals from the waiting list for various community-based services. It further proposes converting $2.6 million of existing state funded services to the maximum allowable under the federal medicaid waiver. Funding of this double sided proposal is $787,877 in FY86 and $2,164,287 in FY87 and results in an actual general fund savings of $529,997 in FY86 and a cost to the general fund of $770,840 in FY87. Two FTE are included in this request.

LIEAP Transfer - If this modification is approved, general funds of $795,755 will partially reduce the 10% LIEAP transfer in FY87, allowing these funds to increase LIEAP benefits within the Assistance Payments Program.

DEVELOPE DISAB ADVIS COUNCIL BUDGET DETAIL SUMMARY	Actual FY 1984	Budgeted FY 1985	Recommendation FY 1986	Recommendation FY 1987
Full Time Equivalent Employees	2.00	2.00	2.00	2.00
Personal Services	46,005.74	45,981	46,789	47,043
Operating Expenses	28,145.97	41,519	58,211	57,957
Grants	169,001.86	162,500	195,000	195,000
Total Program Costs	$243,153.57	$250,000	$300,000	$300,000
Federal & Other Spec Rev Fund	243,153.57	250,000	300,000	300,000
Total Funding Costs	$243,153.57	$250,000	$300,000	$300,000
Current Level Services	243,153.57	250,000	300,000	300,000
Total Service Costs	$243,153.57	$250,000	$300,000	$300,000

Program Description

The Montana State Developmental Disabilities Planning and Advisory Council (DDPAC) administers funds paid to the State of Montana to make a significant contribution toward strengthening services for persons with developmental disabilities. In performing this mandate, DDPAC provides advice to the Governor's office, the department, other state agencies, local governments and private organizations on programs and services for persons with developmental disabilities. The council is provided for in section 53-20-206, MCA, and Title 2, chapter 15, MCA.

Budget Issues

In October 1984, the Developmentally Disabled Planning and Advisory Council, (DDPAC) was notified that its grant award would increase from $250,000 per year to $300,000 per year. Of this grant award, 35% is used for administration and 65% is used for grants.

Allocation of the additional administration funds had not been determined at the time of this writing as the Council had not met to consider this issue.

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